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Annual Report & Accounts

JPMorgan Fund ICVC

31 January 2014

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 14 May 2014, 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 14 May 2014.

Authorised Corporate Director's (ACD) Report

We are pleased to present the Annual Report & Accounts for JPMorgan Fund ICVC for the year ended 31 January 2014.

Authorised Status

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

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

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 sub-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.

JPM Global Mining Fund

On 7 June 2013 shareholders of the JPM Global Mining Fund were sent a letter informing them of the intention to terminate this Fund subject to FCA approval, and on 1 July 2013 a further letter was sent confirming that FCA approval had been received. The termination of this Fund commenced on 12 August 2013 and the initial termination proceeds were paid to shareholders on 20 August 2013.

JPM Balanced Total Return Fund

On 7 June 2013 shareholders of the JPM Balanced Total Return Fund were sent a letter informing them of the intention to terminate this Fund subject to FCA approval, and on 1 July 2013 a further letter was sent confirming that FCA approval had been received. The termination of this Fund commenced on 12 August 2013 and the initial termination proceeds were paid to shareholders on 20 August 2013.

JPM Global Equity Absolute Alpha Fund

On 12 July 2013 shareholders of the JPM Global Equity Absolute Alpha Fund were sent a letter informing them of the intention to terminate this Fund subject to FCA approval, and on 6 August 2013 a further letter was sent confirming that FCA approval had been received. The termination of this Fund commenced on 13 August 2013 and the initial termination proceeds were paid to shareholders on 23 September 2013.

JPM Emerging Markets Infrastructure Fund

On 16 August 2013 an EGM was held at which shareholders voted in favour of a proposal to merge this Fund with the JPM Emerging Markets Fund. On 31 August the merger took place, and shareholders in the JPM Emerging Markets Infrastructure Fund received shares of an equivalent value in the JPM Emerging Markets Fund.

JPM UK Equity Fund

On 16 August 2013 an EGM was held at which shareholders voted in favour of a proposal to merge this Fund with the JPM UK Strategic Growth Fund. On 31 August the merger took place, and shareholders in the JPM UK Equity Fund received shares of an equivalent value in the JPM UK Strategic Growth Fund.

JPM UK Active Index Plus Fund

The performance fee was removed with effect from 1 February 2014.

Changes to the Prospectus and Instrument of Incorporation

On 1 December 2013 the prospectus was amended to remove the 'net exposure' wording from the Investment Policy and Risk Warning sections for a number of funds where the global exposure was being measured using Value at Risk ("VaR") methodology and replaced by a fund specific statement that the fund was subject to VaR. The reason for this is that we believe the new wording is more transparent to shareholders. The funds affected are the following:

- JPM Cautious Managed Fund
- JPM Diversified Real Return Fund
- JPM Sterling Corporate Bond Fund
- JPM Strategic Bond Fund

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

As of 31 March 2014, Schedule 19 Stamp Duty Reserve Tax ("SDRT") no longer applies. This was a negligible tax that applied to UK domiciled funds that invested in assets liable to SDRT when investors sold their shares in the funds. This change in legislation was implemented by HM Revenue and Customs.

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

Authorised Corporate Director's (ACD) Report – continued

Change of Benchmark of the JPM Global Equity Income Fund

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

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

Change to the Investment Objective of the JPM Multi-Asset Macro Fund

On 16 December 2013 the investment objective of the above Fund was amended to the below:

"The Fund aims to provide positive investment returns over rolling 12 month periods in any market conditions. There is no guarantee that positive investment returns will be achieved over this period or any time period, and your capital is in fact at risk."

The reason for this is to ensure that this Fund remained compliant with new FCA requirements for absolute and total return style funds.

Change to the Investment Objective of the JPM Diversified Real Return Fund

On 16 December 2013 the investment objective of the above Fund was amended to the below:

"The Fund aims to provide an investment return in excess of the Retail Prices Index over rolling 5 year periods, although this is not guaranteed. Your capital is at risk and there is no guarantee that positive investment returns will be achieved over any time period."

The reason for this is to ensure that this Fund remained compliant with new FCA requirements for absolute and total return style funds.

Change to the Investment Objective of the JPM Sterling Corporate Bond Fund

On 16 December 2013 the investment objective of the above Fund was amended to the below:

"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 reason for this is to ensure that this Fund remained compliant with new FCA requirements for absolute and total return style funds.

Changes to the JPM UK Focus Fund and JPM UK Dynamic Fund

On 16 December 2013 the limit to the number of shares that were able to be issued by these funds were removed.

Launch of new Share Classes in JPM Multi-Asset Income Fund and JPM Global High Yield Bond Fund

On 3 February 2014 monthly net income paying share classes were launched for the above funds.

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)

Depository

National Westminster Bank plc
135 Bishopsgate, London, EC2M 3UR

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

Independent Auditors

PricewaterhouseCoopers LLP
Atria One, 144 Morrison Street,
Edinburgh, EH3 8EX

Investment Adviser

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

(Authorised and regulated by the Financial Conduct Authority)

Registrar

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

(Authorised and regulated by the Financial Conduct Authority)

By order of the Authorised Corporate Director,



Peter Schwicht

Director
JPMorgan Funds Limited
14 May 2014



Dan Watkins

Director
JPMorgan Funds Limited
14 May 2014

Investment Adviser's Report for the year ending 31 January 2014

Market review

Global equities outperformed bonds in the 12-month period to the end of January 2014, with the MSCI World Index up 9.7%, compared to the 4.9% decline recorded by the Barclays Global Aggregate Index, both in sterling terms (source: Factset, as at 31 January 2014).

Investor sentiment was dominated for much of the period by growing speculation that the US Federal Reserve (the Fed) would begin reducing (or tapering) its USD85 billion programme of monthly asset purchases. Uncertainty about the potential timing of the withdrawal of monetary stimulus was sparked by Fed chairman Ben Bernanke's comments in May that bond buying could be scaled back "in the next few meetings" of the Federal Open Market Committee.

As improving economic indicators—particularly the falling US unemployment rate—pointed to a more entrenched US recovery, investors became convinced that the Fed would begin the tapering process in September. As a result, Bernanke's decision in September to leave the Fed's asset purchase programme unchanged took markets by surprise. The taper decision ultimately came in December, as the uncertainty brought about by budgetary wrangling in the US Congress receded, and conditions in the US labour market showed sustained improvement. The Fed decided to reduce its monthly bond purchases by USD10 billion, to USD75 billion, starting in January, with further reductions expected to follow during 2014.

The speculation about the scaling back of the Fed's monetary support had a particularly negative effect on emerging markets (both equity and debt) and bonds more broadly. Yields on US and UK government bonds rose significantly on expectations for interest rate increases, while emerging market investors suffered sizeable losses due to concerns over the financing of current account deficits in many countries. The sell-off in emerging markets continued for most of the period. While corporate bonds were also adversely affected, losses were less severe.

Equity markets in the US, Europe and Japan made strong gains in 2013, although a reversal of fortunes saw them underperform in the first month of the new year. Despite unemployment remaining at a record high in the eurozone, investor sentiment towards the region became more positive, particularly as a pick up in purchasing managers' indices towards the end of the period suggested that manufacturing activity was improving. In the second quarter of 2013, the eurozone economy finally emerged from recession after 18 months of contraction. Meanwhile, the pace of UK economic recovery continued to exceed expectations, with broad-based growth across the manufacturing, services and construction sectors. The UK unemployment rate also fell faster than anticipated.

US equities were among the top performers as the US economy continued to lead the developed world recovery. Although congressional wrangling over the raising of the debt ceiling led to a government shutdown that brought with it increased uncertainty, the effect on equities was muted. Japanese equities were the star performers, however, boosted by the positive effects of prime minister Shinzo Abe's reform programme aimed at raising the rate of consumer price inflation to 2% in two years and returning the Japanese economy to a path of sustainable growth.

Market outlook

Although 2014 has so far brought with it a reversal in market fortunes—January saw many of last year's strongest performing asset classes suffer sizeable losses—the case for optimism about markets and the global economy remains intact. Growth in the developed world is gathering momentum, and for the first sustained period of time since the 2008-9 financial crisis, a significant majority of countries are benefiting from expansion in manufacturing activity.

The pace of UK economic recovery, in particular, looks set to continue exceeding expectations. Consensus forecasts for UK growth in 2014 have roughly doubled since the middle of last year, and unemployment has fallen much faster than anticipated by the Bank of England. Elsewhere in Europe, it is early days yet for the eurozone recovery, with unemployment remaining high and business lending continuing to contract. There is some good news, however, coming from the peripheral eurozone countries and countries such as Germany, where growth has been gathering momentum for some time.

Emerging markets face challenges, amid growing investor aversion to countries such as Turkey and South Africa that have been borrowing from international markets and are therefore vulnerable to rising US interest rates. However, for those invested for the long term, emerging market equity valuations at current lows could provide an attractive entry point.

It appears that, very slowly, the US is moving away from highly accommodative monetary policy. With the Federal Reserve starting to scale back its bond buying programme, some parts of the world are going to cope better than others in a less accommodative monetary policy environment. The long road to a more normal interest rate environment is unlikely to be smooth, but the withdrawal of stimulus measures represents a vote of confidence in the strength of the global recovery and should therefore, ultimately, be positive for markets.

JPMorgan Asset Management (UK) Limited
March 2014

JPM Asia Fund

Investment objective and policy

To provide long-term capital growth from investment primarily in the securities of companies quoted or trading in Asia (excluding Japan).

The Fund aims to provide broad market exposure which will include exposure to Emerging Markets. Smaller company investments 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, fixed interest securities, cash and cash equivalents may be held on an ancillary basis, as appropriate.

Risk profile

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

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

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

Over the 12 months ending January 2014, Asian equity markets overall were weak, as the onset of tapering in the US caused currencies to weaken and fund flows to reverse, as well as continued worsening current account balances in some countries. India continued to be weighed down by slowing economic growth, and Thailand's renewed political impasse caused the Thai market to underperform. In China, the leadership's determination regarding economic reform is causing investors to remain cautious.

The Fund delivered a negative return and underperformed its benchmark in the review period. The majority of the underperformance was attributable to negative asset allocation, most notably the overweight in China and the underweight in Malaysia. Stock selection overall was positive, but specific stock picks in India and Taiwan further detracted from performance. Stock selection in China was strong.

Fund outlook

Some of the headwinds that have weighed on Asian stock markets remain, such as downward earnings revisions and emerging market redemptions. That said, there is plenty of evidence of a revival in local risk appetite, be it small caps in Taiwan, biotech in China or the recent sharp recovery in Indonesian securities. Though one cannot discern the catalyst to revive these markets, there is solid valuation support on the downside. In the near term, elections in India and Indonesia will drive sentiment. In China, we expect the macro environment to be stable in 2014, while reform implementations become the focus. However, investors should anticipate continued volatility as market participants accustomed to high GDP growth prints weigh up the impact of reform.

12 month performance as at 31 January

	2014	2013	2012	2011	2010
JPM Asia					
A-Class Acc	-9.3%	14.0%	-13.1%	28.5%	51.5%
JPM Asia					
B-Class Acc	-8.8%	14.5%	-12.6%	29.2%	52.3%
JPM Asia					
C-Class Acc	-8.6%	-	-	-	-
Benchmark Index ^A	-7.1%	11.8%	-6.1%	26.1%	54.5%

Fund statistics

Risk and Reward Profile	6*
Fund size	£90.5m
Benchmark Index ^A	MSCI All Country Asia ex Japan Index (Net)
Fund charges	
A-Class	Initial 3.00%, Annual 1.50%
B-Class	Initial Nil, Annual 1.00%
C-Class	Initial Nil, Annual 0.75%

Top ten holdings

	%
Samsung Electronics	5.8
Tencent	4.3
Taiwan Semiconductor Manufacturing	4.3
POSCO	3.4
China Construction Bank 'H'	3.1
Aia Group	3.0
DBS Group	2.1
Ping An Insurance 'H'	2.0
Galaxy Entertainment Group	1.9
Infosys Technologies	1.9

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

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

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

Source: J.P. Morgan.

^A On 01/03/09 the Fund's benchmark was changed from MSCI AC Far East ex Japan Net to the MSCI All Country Asia ex Japan Index (Net).

Benchmark Source: MSCI. Neither MSCI nor any other party involved in or related to compiling, computing or creating the MSCI data makes any express or 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.

Geographical breakdown

	%
China	28.4
South Korea	19.5
Hong Kong	14.9
Taiwan	14.4
India	8.8
Singapore	4.5
Thailand	4.0
Malaysia	2.3
Indonesia	1.4
Philippines	0.6
Net other assets	1.2

Highest/lowest share price and distribution record

Calendar year	Highest share price	Lowest share price	Distribution per share (net)
A-Class Accumulation Shares			
2009	99.50p	54.94p	0.58p
2010	123.8p	91.30p	0.14p
2011	126.4p	85.22p	0.19p
2012	112.4p	94.00p	0.56p
2013	126.0p	106.3p	0.55p
2014 ^B	112.4p	105.9p	0.47p
A-Class Income Shares			
2009	56.38p	31.14p	0.31p
2010	70.01p	51.66p	0.09p
2011	71.49p	48.13p	0.11p
2012	63.12p	52.79p	0.32p
2013	70.41p	59.44p	0.31p
2014 ^B	62.81p	59.22p	0.26p
B-Class Accumulation Shares			
2009	137.4p	75.51p	0.61p
2010	171.8p	126.1p	0.00p
2011	175.4p	118.8p	0.92p
2012	157.7p	131.4p	1.58p
2013	177.1p	149.5p	1.52p
2014 ^B	158.4p	149.4p	1.41p
C-Class Accumulation Shares^C			
2012	110.3p	95.10p	-
2013	124.0p	104.7p	0.94p
2014 ^B	111.1p	104.8p	1.29p
C-Class Income Shares^C			
2012	110.3p	95.10p	-
2013 ^C	123.0p	103.9p	0.94p
2014 ^B	110.2p	103.9p	1.24p

^B To 31 January 2014.

^C C-Class Accumulation Shares and C-Class Income Shares were launched on 20 August 2012.

Portfolio turnover rate

31.01.13	177.9%
31.01.14	157.0%

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

Portfolio transaction costs

	Broker Commissions	Transaction Taxes	Total
31.01.13	0.28%	0.22%	0.50%
31.01.14	0.32%	0.25%	0.57%

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

Stamp duty reserve tax

31.01.13	0.00%
31.01.14	0.00%

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

Net asset values and Ongoing charges

Date	Net asset value per share class £'000	Number of shares	Net asset value per share	Ongoing charges
A-Class Accumulation Shares				
31.01.12	104,297	101,044,692	103.2p	1.68%
31.01.13	106,312	90,356,659	117.7p	1.68%
31.01.14	86,995	81,462,945	106.8p	1.68%
A-Class Income Shares				
31.01.12	580	999,924	57.97p	1.68%
31.01.13	741	1,125,886	65.77p	1.68%
31.01.14	639	1,075,773	59.44p	1.68%
B-Class Accumulation Shares				
31.01.12	1,033	717,224	144.1p	1.15%
31.01.13	2,378	1,440,001	165.2p	1.18%
31.01.14	173	115,074	150.6p	1.18%
C-Class Accumulation Shares				
31.01.13	382	330,355	115.6p	0.93%
31.01.14	2,678	2,533,696	105.7p	0.93%
C-Class Income Shares				
31.01.13	1	1,000	114.6p	0.93%
31.01.14	24	22,970	103.5p	0.93%

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

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

Portfolio statement

As at 31 January 2014

Investment	Holding	Market value £'000	Total net assets %
China – 28.4% (26.9%)			
Agricultural Bank of China 'H'	5,606,000	1,483	1.6
China Cinda Asset Management 'H'	2,097,000	825	0.9
China Construction Bank 'H'	6,697,460	2,819	3.1
China Eastern Airlines 'H'	2,500,000	511	0.6
China Life Insurance 'H'	598,000	990	1.1
China Longyuan Power Group 'H'	800,000	583	0.6
China Minsheng Banking 'H'	1,535,000	918	1.0
China Oilfield Services 'H'	602,000	970	1.1
China Overseas Land & Investments	740,000	1,210	1.3
China Petroleum & Chemical 'H'	2,945,200	1,417	1.6
China Resources Gas	530,000	999	1.1
China Telecom 'H'	1,954,000	550	0.6
China Vanke 'B'	1,175,008	1,160	1.3
CNOOC	954,000	909	1.0
Dongfeng Motor Group 'H'	614,000	549	0.6
Great Wall Motor	282,500	818	0.9
Huaneng Renewables 'H'	2,834,000	718	0.8
MGM China	269,200	646	0.7
Ping An Insurance 'H'	358,500	1,763	2.0
Sands China	228,800	1,071	1.2
Tencent	92,300	3,918	4.3
Want Want China	1,093,000	893	1.0
South Korea – 19.5% (18.0%)			
Hyundai Development	3,750	51	0.1
Hyundai Heavy Industries	7,800	980	1.1
Hyundai Motor	5,800	762	0.8
KB Financial Group	68,500	1,430	1.6
KIA Motors	33,800	1,022	1.1
Korea Investment Holdings	36,780	814	0.9
LG Chemical	7,550	1,101	1.2
LG Household & Healthcare	1,100	295	0.3
POSCO	18,400	3,082	3.4
Samsung Electronics	7,300	5,243	5.8
Samsung Securities	33,200	809	0.9
Shinhan Financial	38,500	986	1.1
SK Innovation	15,500	1,105	1.2
Hong Kong – 14.9% (19.7%)			
AAC Technologies	290,000	758	0.8
Aia Group	967,600	2,710	3.0
Beijing Enterprises Water Group	2,480,000	850	0.9
Cheung Kong	150,000	1,350	1.5
China Everbright International	909,000	725	0.8
Galaxy Entertainment Group	294,000	1,754	1.9
Hutchison Whampoa	205,000	1,545	1.7
Intime Retail Group	992,000	605	0.7
Lifestyle International	650,000	708	0.8
Orient Overseas International	220,500	559	0.6
Prada	96,500	430	0.5
Tingyi	560,000	881	1.0
Wharf	154,200	638	0.7
Taiwan – 14.4% (9.8%)			
Advanced Semiconductor Engineering	1,720,000	966	1.1
Cheng Shin Rubber Industries	148,550	227	0.3
China Life Insurance	1,445,480	838	0.9
China Steel Chemical	206,000	691	0.8
Delta Electronics	330,000	1,097	1.2
E. Sun Financial Holding	1,580,000	595	0.7
Huaku Development	296,000	441	0.5
Innolux Display	2,663,000	560	0.6
MediaTek	159,000	1,273	1.4
Ruentex Development	473,149	505	0.6
Sino-American Silicon Products	396,000	439	0.5
Taiwan Semiconductor Manufacturing	1,840,000	3,867	4.3
Uni-President Enterprises	659,897	660	0.7
United Microelectronics	2,876,000	711	0.8
India – 8.8% (11.8%)			
ACC	56,700	557	0.6
Godrej Industries	348,119	916	1.0
HDFC Bank	186,963	1,140	1.3
Housing Development Finance	93,585	731	0.8
Indusind Bank	215,633	801	0.9
Infosys Technologies	48,571	1,739	1.9
Mahindra & Mahindra	137,000	1,178	1.3
Mahindra & Mahindra Financial Services	200,000	470	0.5
Tata Motors	127,000	431	0.5

Investment	Holding	Market value £'000	Total net assets %
Singapore – 4.5% (3.5%)			
CapitaMalls Asia	1,006,000	839	0.9
DBS Group	244,000	1,907	2.1
Global Logistic Properties	527,000	701	0.8
United Overseas Bank	69,000	655	0.7
Thailand – 4.0% (5.0%)			
Banpu (Alien Market)	1,008,900	488	0.5
Kasikornbank Non-Voting Depositary Receipt	390,900	1,220	1.3
LPN Development Public (Alien Market)	1,400,400	374	0.4
PTT Exploration & Production (Alien Market)	227,400	639	0.7
Siam Cement Non-Voting Depositary Receipt	137,200	1,026	1.1
Malaysia – 2.3% (0.7%)			
Sapura Kencana Petroleum	1,249,600	997	1.1
Tenaga Nasional	505,400	1,073	1.2
Indonesia – 1.4% (3.0%)			
Bank Central Asia	1,522,000	751	0.8
Telekomunikasi Indonesia 'B'	4,703,000	529	0.6
Philippines – 0.6% (0.0%)			
BDO Unibank	487,730	516	0.6
Investment assets		89,461	98.8
Net other assets		1,048	1.2
Net assets		90,509	100.0

Unless otherwise stated the above securities are admitted to official stock exchange listings or trade on a regulated market.

The comparative percentage figures in brackets are at 31 January 2013.

Portfolio movements

For the year ending 31 January 2014

	£'000		£'000
Total of all purchases for the year (Note 10)	85,626	Total of all sales for the year (Note 10)	94,568
Major purchases	Cost	Major sales	Proceeds
POSCO	4,172	Hyundai Motor	4,506
Hyundai Motor	4,134	Samsung Electronics	3,298
Samsung Electronics	3,162	Industrial & Commercial Bank of China 'H'	2,963
Industrial & Commercial Bank of China 'H'	2,994	KIA Motors	2,781
KB Financial Group	2,830	KB Financial Group	2,643
China Petroleum & Chemical 'H'	2,777	POSCO	2,539
CNOOC	2,117	CNOOC	2,447
Agricultural Bank of China 'H'	1,967	Hyundai Heavy Industries	2,342
Hyundai Heavy Industries	1,725	Agricultural Bank of China 'H'	2,151
SK Innovation	1,559	Hyundai Mobis	1,907
Hutchison Whampoa	1,553	Shinhan Financial	1,792
Shinhan Financial	1,520	Krung Thai Bank (Alien Market)	1,757
Infosys Technologies	1,514	Hutchison Whampoa	1,515
China Overseas Land & Investments	1,508	Mahindra & Mahindra Financial Services	1,505
China Life Insurance 'H'	1,176	Prada	1,406
Cheng Shin Rubber Industries	1,159	Cheung Kong	1,388
LG Chemical	1,129	Jardine Matheson	1,376
KIA Motors	1,099	New World Development	1,371
United Microelectronics	1,038	China Construction Bank 'H'	1,340
Advanced Semiconductor Engineering	1,029	New China Life Insurance 'H'	1,289

Financial statements

Statement of total return

For the year ending 31 January

	2014	2013
£'000	£'000	£'000
Income		
Net capital (losses)/gains (Note 1)	(9,868)	12,779
Revenue (Note 2)	2,222	2,537
Expenses (Note 3)	(1,715)	(1,724)
Net revenue before taxation	507	813
Taxation (Note 4)	(71)	(215)
Net revenue after taxation	436	598
Total return before distributions	(9,432)	13,377
Finance costs: Distributions (Note 5)	(440)	(598)
Change in net assets attributable to shareholders from investment activities	(9,872)	12,779

Balance sheet

As at 31 January

	2014	2013
£'000	£'000	£'000
ASSETS		
Investment assets	89,461	108,004
Debtors (Note 7)	1,687	1,803
Cash and bank balances (Note 8)	599	1,109
Total other assets	2,286	2,912
Total assets	91,747	110,916
LIABILITIES		
Creditors (Note 9)	(1,235)	(1,098)
Distribution payable on income shares	(3)	(4)
Total liabilities	(1,238)	(1,102)
Net assets attributable to shareholders	90,509	109,814

The notes to these financial statements are shown on pages 11 to 12.

Statement of change in net assets attributable to shareholders

For the year ending 31 January

	2014	2013
£'000	£'000	£'000
Opening net assets attributable to shareholders	109,814	105,910
Amounts receivable on issue of shares	5,185	10,922
Amounts payable on cancellation of shares	(15,035)	(20,319)
	(9,850)	(9,397)
Change in net assets attributable to shareholders from investment activities (see above)	(9,872)	12,779
Retained distributions on accumulation shares	417	522
Closing net assets attributable to shareholders	90,509	109,814

Notes to the financial statements for the year ending 31 January 2014

1. Net capital (losses)/gains

	2014	2013
	£'000	£'000
Currency losses	(268)	(40)
Non-derivative securities	(9,600)	12,819
Net capital (losses)/gains	(9,868)	12,779

2. Revenue

	2014	2013
	£'000	£'000
Franked income from UK equity investments	-	6
Income from overseas equity investments	2,162	2,455
Interest on bank and term deposits	1	1
Management fee rebates	-	1
Stock dividends	59	74
Total revenue	2,222	2,537

3. Expenses

	2014	2013
	£'000	£'000
Payable to the ACD or associate of the ACD:		
ACD fee	1,530	1,539
Fixed expenses	185	185
Total expenses	1,715	1,724

4. Taxation

	2014	2013
	£'000	£'000
a) Analysis of charge in the year		
Overseas tax provision	(143)	431
Overseas tax suffered	214	(216)
Current year tax charge (Note 4b)	71	215

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	507	813
Corporation tax at 20%	101	163

Effects of:

Dividends not subject to corporation tax	(444)	(507)
Excess expenses for which no relief taken	343	344
Overseas tax provision	(143)	431
Overseas tax suffered	214	(216)
	(30)	52
Current year tax charge (Note 4a)	71	215

No deferred tax asset has been recognised in the financial statements. At the year end date, the Fund had a potential unrecognised deferred tax asset of £1,714,979 (31.01.13: £1,372,154) in relation to £8,574,897 (31.01.13: £6,860,770) 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.

5. Finance costs

Distributions

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

	2014	2013
	£'000	£'000
Final dividend distribution	420	526
Add: Amounts payable on cancellation of shares	47	113
Deduct: Amounts receivable on issue of shares	(27)	(41)
Total finance costs	440	598

Details of the distribution per share are set out on page 13.

6. Movement between net revenue after taxation and distributions

	2014	2013
	£'000	£'000
Net revenue after taxation	436	598
Add: Undistributed revenue brought forward	5	5
Deduct: Undistributed revenue carried forward	(8)	(5)
Equalisation on conversions	7	-
	440	598

7. Debtors

	2014	2013
	£'000	£'000
Accrued income	198	199
Due from the ACD for shares created	85	12
Overseas tax recoverable	48	1
Sales awaiting settlement	1,356	1,591
Total debtors	1,687	1,803

8. Cash and bank balances

	2014	2013
	£'000	£'000
Cash and bank balances	599	1,109

9. Creditors

	2014	2013
	£'000	£'000
Accrued expenses	133	154
Due to the ACD for shares cancelled	500	197
Purchases awaiting settlement	602	747
Total creditors	1,235	1,098

Notes to the financial statements – continued

10. Portfolio transaction costs

	2014 £'000	2013 £'000
Analysis of total purchase costs		
Purchases in year before transaction costs	85,449	100,368
Commissions	140	146
Taxes	37	59
Total purchase costs	177	205
Gross purchases total	85,626	100,573
Analysis of total sale costs		
Gross sales before transaction costs	94,863	109,106
Commissions	(126)	(142)
Taxes	(169)	(172)
Total sale costs	(295)	(314)
Total sales net of transaction costs	94,568	108,792

11. 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 £547,613 (31.01.13: £338,441). Details of related party transactions are given under note 13 on page 413.

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 £19,484 (31.01.13: £36,987). 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 15.70% (31.01.13: 14.26%)
- FNZ (UK) Nominees Limited 10.21% (31.01.13: 9.74%)

12. 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.

Currency	Net foreign currency assets/(liabilities)		
	Total £'000	Monetary exposures £'000	Non-monetary exposures £'000
31.01.14			
Hong Kong Dollar	39,993	759	39,234
Korean Won	17,919	239	17,680
Taiwan Dollar	12,942	72	12,870
Indian Rupee	7,963	-	7,963
Singapore Dollar	4,103	-	4,103
Thailand Baht	3,746	-	3,746
Malaysian Ringgit	2,070	1	2,069
Indonesian Rupiah	1,280	-	1,280
Philippine Peso	516	-	516
US Dollar	402	402	-
31.01.13			
Hong Kong Dollar	48,335	320	48,015
Korean Won	20,157	492	19,665
Indian Rupee	12,973	-	12,973
Taiwan Dollar	11,986	310	11,676
Thailand Baht	5,273	(230)	5,503
Singapore Dollar	3,876	-	3,876
Indonesian Rupiah	3,645	393	3,252
US Dollar	2,974	723	2,251
Malaysian Ringgit	793	-	793

Interest rate risk

At the year end date, 0.7% (31.01.13: 1.0%) of the Fund's net assets by value were interest bearing, carrying a (fixed/floating) rate.

For consideration of other risks including liquidity, pricing and credit risk, please refer to the notes to the aggregated financial statements, pages 413 to 414.

13. 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 fixed expenses charge are shown below.

	ACD fee	Fixed expenses
Class A shares:	1.50%	0.18%
Class B shares:	1.00%	0.18%
Class C shares:	0.75%	0.18%

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 7. All classes have the same rights on winding up.

14. Contingent liabilities and capital commitments

At the balance sheet date there were no contingent liabilities or capital commitments (2013: none).

Distribution table

Final distribution in pence per share

Group 1 – Shares purchased prior to 1 February 2013

Group 2 – Shares purchased 1 February 2013 to 31 January 2014

	Gross revenue	Tax at 10%	Net revenue	Equalisation	Distribution payable 30.04.14	Distribution paid 30.04.13
A-Class Accumulation Shares						
Group 1	0.522222	0.052222	0.470000	-	0.470000	0.550000
Group 2	0.312539	0.031254	0.281285	0.188715	0.470000	0.550000
A-Class Income Shares						
Group 1	0.288889	0.028889	0.260000	-	0.260000	0.310000
Group 2	0.231146	0.023115	0.208031	0.051969	0.260000	0.310000
B-Class Accumulation Shares						
Group 1	1.566667	0.156667	1.410000	-	1.410000	1.520000
Group 2	1.566667	0.156667	1.410000	0.000000	1.410000	1.520000
C-Class Accumulation Shares						
Group 1	1.433333	0.143333	1.290000	-	1.290000	0.940000
Group 2	0.155224	0.015522	0.139702	1.150298	1.290000	0.940000
C-Class Income Shares						
Group 1	1.377778	0.137778	1.240000	-	1.240000	0.940000
Group 2	0.559852	0.055985	0.503867	0.736133	1.240000	0.940000

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.

JPM Balanced Total Return Fund

Important information

This Fund was terminated on 19 August 2013.

Highest/lowest share price and distribution record

Calendar year	Highest share price	Lowest share price	Distribution per share (net)
A-Class Accumulation Shares			
2009	53.46p	43.72p	1.02p
2010	57.82p	51.12p	0.87p
2011	58.26p	50.95p	1.07p
2012	55.90p	52.17p	0.92p
2013 ^A	61.97p	54.53p	0.82p
A-Class Income Shares			
2009	50.96p	42.24p	0.99p
2010	54.07p	48.21p	0.79p
2011	54.10p	46.99p	1.00p
2012	51.10p	47.39p	0.83p
2013 ^A	55.15p	49.01p	0.73p
B-Class Accumulation Shares^B			
2012	54.46p	52.74p	0.25p
2013 ^A	62.15p	54.60p	1.03p
C-Class Accumulation Shares^C			
2012	102.0p	98.77p	0.47p
2013 ^A	116.5p	102.3p	1.51p
C-Class Income Shares^C			
2012	101.5p	98.31p	0.47p
2013 ^A	114.8p	101.78p	1.44p
I-Class Accumulation Shares			
2009	109.5p	89.20p	2.41p
2010	119.6p	105.4p	2.01p
2011	121.2p	106.2p	2.40p
2012	117.0p	109.5p	2.11p
2013 ^A	131.2p	115.1p	1.85p
I-Class Income Shares			
2009	102.4p	84.53p	2.27p
2010	109.3p	97.24p	1.85p
2011	109.8p	95.63p	2.18p
2012	104.3p	96.93p	1.88p
2013 ^A	113.7p	100.7p	1.60p

^A To 12 August 2013.

^B B-Class Accumulation Shares was launched on 29 October 2012.

^C C-Class Accumulation Shares and C-Class Income Shares were launched on 20 August 2012.

Net asset values and Ongoing charges

Date	Net asset value per share class £'000	Number of shares	Net asset value per share	Ongoing charges
A-Class Accumulation Shares				
31.01.12	7,021	13,021,569	53.92p	1.68%
31.01.13	5,404	9,610,272	56.23p	1.68%
31.01.14	-	-	-	-
A-Class Income Shares				
31.01.12	2,069	4,196,910	49.30p	1.68%
31.01.13	1,906	3,783,393	50.38p	1.68%
31.01.14	-	-	-	-
B-Class Accumulation Shares				
31.01.13	3	5,000	56.34p	1.18%
31.01.14	-	-	-	-
C-Class Accumulation Shares				
31.01.13	47	44,040	105.5p	0.93%
31.01.14	-	-	-	-
C-Class Income Shares				
31.01.13	1	1,000	104.7p	0.93%
31.01.14	-	-	-	-
I-Class Accumulation Shares				
31.01.12	526	465,872	112.8p	0.75%
31.01.13	549	462,227	118.8p	0.75%
31.01.14	-	-	-	-
I-Class Income Shares				
31.01.12	449	446,722	100.6p	0.75%
31.01.13	458	442,222	103.6p	0.75%
31.01.14	-	-	-	-

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

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

Financial statements

Statement of total return

For the year ending 31 January

	£'000	2014 £'000	£'000	2013 £'000
Income				
Net capital gains (Note 1)		474		276
Revenue (Note 2)	106		226	
Expenses (Note 3)	(68)		(139)	
Net revenue before taxation	38		87	
Taxation (Note 4)	(8)		(16)	
Net revenue after taxation		30		71
Total return before distributions		504		347
Finance costs: Distributions (Note 5)		(90)		(187)
Change in net assets attributable to shareholders from investment activities		414		160

Statement of change in net assets attributable to shareholders

For the year ending 31 January

	£'000	2014 £'000	£'000	2013 £'000
Opening net assets attributable to shareholders		8,368		10,065
Amounts receivable on issue of shares	334		261	
Amounts payable on cancellation of shares	(9,175)		(2,249)	
		(8,841)		(1,988)
Change in net assets attributable to shareholders from investment activities (see above)		414		160
Retained distributions on accumulation shares		59		131
Closing net assets attributable to shareholders		-		8,368

Balance sheet

As at 31 January

	£'000	2014 £'000	£'000	2013 £'000
ASSETS				
Investment assets		-		7,774
Debtors (Note 7)	-		93	
Cash and bank balances (Note 8)	-		897	
Total other assets		-		990
Total assets		-		8,764
LIABILITIES				
Investment liabilities		-		(277)
Creditors (Note 9)	-		(110)	
Distribution payable on income shares	-		(9)	
Total other liabilities		-		(119)
Total liabilities		-		(396)
Net assets attributable to shareholders		-		8,368

The notes to these financial statements are shown on pages 16 to 17.

Notes to the financial statements for the year ending 31 January 2014

1. Net capital gains

	2014	2013
	£'000	£'000
Currency gains/(losses)	111	(79)
Derivative contracts	(131)	(549)
Forward currency contracts	(159)	116
Non-derivative securities	653	788
Net capital gains	474	276

2. Revenue

	2014	2013
	£'000	£'000
Franked income from UK equity investments	12	31
Income from Liquidity funds	-	1
Income from overseas equity investments	78	140
Interest on amounts held with futures clearing houses and brokers	-	2
Interest on bank and term deposits	1	1
Interest on fixed-interest securities	15	51
Total revenue	106	226

3. Expenses

	2014	2013
	£'000	£'000
Payable to the ACD or associate of the ACD:		
ACD fee	61	125
Fixed expenses	7	14
Total expenses	68	139

4. Taxation

	2014	2013
	£'000	£'000
a) Analysis of charge in the year		
Overseas tax suffered	8	16
Current year tax charge (Note 4b)	8	16

b) Factors affecting the tax charge for the year

The tax assessed for the year is the same as 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	38	87
Corporation tax at 20%	8	17

Effects of:

Dividends not subject to corporation tax	(17)	(34)
Excess expenses for which no relief taken	9	17
Overseas tax suffered	8	16
	-	(1)
Current year tax charge (Note 4a)	8	16

No deferred tax asset has been recognised in the financial statements. At the year end date, the Fund had a potential unrecognised deferred tax asset of £55,145 (31.01.13: £45,624) in relation to £275,726 (31.01.13: £228,122) 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.

5. Finance costs

Distributions

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

	2014	2013
	£'000	£'000
First interim dividend distribution	53	63
Second interim dividend distribution	26	50
Third interim dividend distribution	5	38
Final dividend distribution	-	29
Add: Amounts payable on cancellation of shares	7	8
Deduct: Amounts receivable on issue of shares	(1)	(1)
Total finance costs	90	187

Details of the distribution per share are set out on pages 18 to 21.

6. Movement between net revenue after taxation and distributions

	2014	2013
	£'000	£'000
Net revenue after taxation	30	71
Add: ACD fee (net of tax relief) paid from capital	61	116
Add: Undistributed revenue brought forward	1	1
Deduct: Undistributed revenue carried forward	(2)	(1)
	90	187

7. Debtors

	2014	2013
	£'000	£'000
Accrued income	-	9
Due from the ACD for shares created	-	16
Overseas tax recoverable	-	3
Sales awaiting settlement	-	65
Total debtors	-	93

8. Cash and bank balances

	2014	2013
	£'000	£'000
Amounts held at futures clearing houses and brokers	-	310
Cash and bank balances	-	587
Total cash and bank balances	-	897

9. Creditors

	2014	2013
	£'000	£'000
Accrued expenses	-	11
Due to the ACD for shares cancelled	-	1
Purchases awaiting settlement	-	98
Total creditors	-	110

Notes to the financial statements – continued

10. Portfolio transaction costs

	2014 £'000	2013 £'000
Analysis of total purchase costs		
Purchases in year before transaction costs	17,031	6,364
Commissions	1	5
Taxes	-	4
Total purchase costs	1	9
Gross purchases total	17,032	6,373
Analysis of total sale costs		
Gross sales before transaction costs	25,250	8,752
Commissions	-	(5)
Taxes	(1)	(1)
Total sale costs	(1)	(6)
Total sales net of transaction costs	25,249	8,746

11. 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 (31.01.13: £4,670). Details of related party transactions are given under note 13 on page 413.

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 £1,452 (31.01.13: £81). 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:

- JPMorgan Investments Ltd 0.00% (31.01.13: 51.44%)
- FNZ (UK) Nominees Ltd 0.00% (31.01.13: 11.81%)

12. Share classes

The Fund 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 fixed expenses charge were as shown below.

	ACD fee	Fixed expenses
Class A shares:	1.50%	0.18%
Class B shares:	1.00%	0.18%
Class C shares:	0.75%	0.18%
Class I shares:	0.75%	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 page 14. All classes had the same rights on winding up.

13. Contingent liabilities and capital commitments

At the balance sheet date there were no contingent liabilities or capital commitments (2013: none).

Distribution tables

Final distribution in pence per share

Group 1 – Shares purchased prior to 1 November 2013

Group 2 – Shares purchased 1 November 2013 to 31 January 2014

	Gross revenue	Tax at 10%	Net revenue	Equalisation	Distribution payable 30.04.14	Distribution paid 30.04.13
A-Class Accumulation Shares						
Group 1	-	-	-	-	-	0.190000
Group 2	-	-	-	-	-	0.190000
A-Class Income Shares						
Group 1	-	-	-	-	-	0.180000
Group 2	-	-	-	-	-	0.180000
B-Class Accumulation Shares						
Group 1	-	-	-	-	-	0.190000
Group 2	-	-	-	-	-	0.190000
C-Class Accumulation Shares						
Group 1	-	-	-	-	-	0.350000
Group 2	-	-	-	-	-	0.350000
C-Class Income Shares						
Group 1	-	-	-	-	-	0.340000
Group 2	-	-	-	-	-	0.340000
I-Class Accumulation Shares						
Group 1	-	-	-	-	-	0.440000
Group 2	-	-	-	-	-	0.440000
I-Class Income Shares						
Group 1	-	-	-	-	-	0.390000
Group 2	-	-	-	-	-	0.390000

Distribution tables – continued

Third interim distribution in pence per share

Group 1 – Shares purchased prior to 1 August 2013

Group 2 – Shares purchased 1 August 2013 to 31 October 2013

	Gross revenue	Tax at 10%	Net revenue	Equalisation	Distribution paid 08.11.13	Distribution paid 31.01.13
A-Class Accumulation Shares						
Group 1	0.055556	0.005556	0.050000	-	0.050000	0.250000
Group 2	0.053290	0.005329	0.047961	0.002039	0.050000	0.250000
A-Class Income Shares						
Group 1	0.044444	0.004444	0.040000	-	0.040000	0.220000
Group 2	0.044058	0.004406	0.039652	0.000348	0.040000	0.220000
B-Class Accumulation Shares						
Group 1	0.044444	0.004444	0.040000	-	0.040000	0.250000
Group 2	0.044444	0.004444	0.040000	0.000000	0.040000	0.250000
C-Class Accumulation Shares						
Group 1	0.100000	0.010000	0.090000	-	0.090000	0.470000
Group 2	0.100000	0.010000	0.090000	0.000000	0.090000	0.470000
C-Class Income Shares						
Group 1	0.100000	0.010000	0.090000	-	0.090000	0.470000
Group 2	0.100000	0.010000	0.090000	0.000000	0.090000	0.470000
I-Class Accumulation Shares						
Group 1	0.122222	0.012222	0.110000	-	0.110000	0.550000
Group 2	0.122222	0.012222	0.110000	0.000000	0.110000	0.550000
I-Class Income Shares						
Group 1	0.088889	0.008889	0.080000	-	0.080000	0.490000
Group 2	0.088889	0.008889	0.080000	0.000000	0.080000	0.490000

Distribution tables – continued

Second interim distribution in pence per share

Group 1 – Shares purchased prior to 1 May 2013

Group 2 – Shares purchased 1 May 2013 to 31 July 2013

	Gross revenue	Tax at 10%	Net revenue	Equalisation	Distribution paid 31.10.13	Distribution paid 31.10.12
A-Class Accumulation Shares						
Group 1	0.244444	0.024444	0.220000	-	0.220000	0.310000
Group 2	0.125593	0.012559	0.113034	0.106966	0.220000	0.310000
A-Class Income Shares						
Group 1	0.211111	0.021111	0.190000	-	0.190000	0.290000
Group 2	0.142128	0.014213	0.127915	0.062085	0.190000	0.290000
B-Class Accumulation Shares						
Group 1	0.244444	0.024444	0.220000	-	0.220000	0.000000
Group 2	0.244444	0.024444	0.220000	0.000000	0.220000	0.000000
C-Class Accumulation Shares						
Group 1	0.444444	0.044444	0.400000	-	0.400000	0.000000
Group 2	0.062382	0.006238	0.056144	0.343856	0.400000	0.000000
C-Class Income Shares						
Group 1	0.411111	0.041111	0.370000	-	0.370000	0.000000
Group 2	0.396233	0.039623	0.356610	0.013390	0.370000	0.000000
I-Class Accumulation Shares						
Group 1	0.533333	0.053333	0.480000	-	0.480000	0.710000
Group 2	0.533333	0.053333	0.480000	0.000000	0.480000	0.710000
I-Class Income Shares						
Group 1	0.477778	0.047778	0.430000	-	0.430000	0.630000
Group 2	0.477778	0.047778	0.430000	0.000000	0.430000	0.630000

Distribution tables – continued

First interim distribution in pence per share

Group 1 – Shares purchased prior to 1 February 2013

Group 2 – Shares purchased 1 February 2013 to 30 April 2013

	Gross revenue	Tax at 10%	Net revenue	Equalisation	Distribution paid 31.07.13	Distribution paid 31.07.12
A-Class Accumulation Shares						
Group 1	0.400000	0.040000	0.360000	-	0.360000	0.360000
Group 2	0.273436	0.027343	0.246093	0.113907	0.360000	0.360000
A-Class Income Shares						
Group 1	0.355555	0.035555	0.320000	-	0.320000	0.320000
Group 2	0.175384	0.017538	0.157846	0.162154	0.320000	0.320000
B-Class Accumulation Shares						
Group 1	0.411111	0.041111	0.370000	-	0.370000	0.000000
Group 2	0.411111	0.041111	0.370000	0.000000	0.370000	0.000000
C-Class Accumulation Shares						
Group 1	0.744444	0.074444	0.670000	-	0.670000	0.000000
Group 2	0.403277	0.040327	0.362950	0.307050	0.670000	0.000000
C-Class Income Shares						
Group 1	0.711111	0.071111	0.640000	-	0.640000	0.000000
Group 2	0.711111	0.071111	0.640000	0.000000	0.640000	0.000000
I-Class Accumulation Shares						
Group 1	0.911111	0.091111	0.820000	-	0.820000	0.850000
Group 2	0.911111	0.091111	0.820000	0.000000	0.820000	0.850000
I-Class Income Shares						
Group 1	0.777777	0.077777	0.700000	-	0.700000	0.760000
Group 2	0.777777	0.077777	0.700000	0.000000	0.700000	0.760000

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 Cautious Managed Fund

Investment objective and policy

The Fund aims to provide income and long-term capital growth by investing in a global portfolio of assets. The Fund will primarily invest in Debt Securities (which may include Below-Investment Grade Bonds and Unrated Securities), Convertible Bonds, Equity securities (which may include smaller companies) and short-term securities.

Issuers of securities may be located in any country, including Emerging Markets and the Fund may invest in assets denominated in any currency.

The Fund will have a bias towards Bonds.

Asset and country allocations may vary over time to reflect market conditions and opportunities. The Fund may invest up to 90% in government and public securities (see section 3.11(e) of the Prospectus). **The Fund may use Financial Derivative Instruments (derivatives) for investment purposes or Efficient Portfolio Management, including hedging, where appropriate.**

The Fund's assets will be primarily either denominated in Sterling or 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 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.

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

Convertible Bonds are subject to the credit, interest rate and market 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.

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 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.

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.

Fund review

In the 12 months to 31 January 2014, global equities delivered double-digit returns as economic data improved, particularly in the US and Europe. The decision of the US Federal Reserve to taper its asset purchases contributed to negative performance for bond markets and the underperformance of emerging vs. developed equity markets.

Against this backdrop, the Fund delivered a positive return and outperformed its benchmark. In equities, we were biased towards developed markets over emerging. In particular, we were overweight the US and Japan, which benefited performance, and we favoured the global financials and health care sectors. In fixed income, we reflected US rate normalisation in our fixed income positions, holding low levels of duration, and moved to a long position in Europe.

Fund outlook

Our conviction in markets has lowered slightly and we expect increased volatility this year. Our concerns centre around the cyclical challenges in emerging economies and the resilience of the global economy in the face of rising rates. However, we retain a positive outlook for risk assets as performance drivers remain in place for now, namely improving global growth with quiescent inflation, accommodative monetary policy and still-supportive valuations.

12 month performance as at 31 January

	2014	2013	2012	2011	2010
JPM Cautious Managed A-Class Acc	8.0%	-4.2%	-3.9%	2.7%	6.6%
JPM Cautious Managed B-Class Acc	8.4%	-	-	-	-
JPM Cautious Managed C-Class Inc	8.5%	-3.7%	-3.4%	3.3%	7.4%
JPM Cautious Managed I-Class Acc	8.8%	-3.6%	-3.2%	3.4%	7.3%
JPM Cautious Managed X-Class Gross Acc	9.6%	-2.7%	-2.3%	-	-
Benchmark Index ^A	3.7%	0.6%	0.7%	0.6%	0.7%

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.

Formerly JPM Cautious Total Return Fund, the Fund name was changed on 29/07/13.

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

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

Source: J.P. Morgan.

^A On 29/07/13 the benchmark for the Fund was changed from BBA 1 Month GBP LIBOR to 70% J.P. Morgan GBI Global Hedged to GBP, 30% MSCI World Index (Net) Hedged to GBP.

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.

Fund statistics

Risk and Reward Profile	4*
Fund size	£213.1m
Benchmark Index ^a	70% J.P. Morgan GBI Global Hedged to GBP, 30% MSCI World Index (Net) Hedged to GBP
Fund charges	
A-Class	Initial 3.00%, Annual 1.25%
B-Class	Initial Nil, Annual 0.80%
C-Class	Initial Nil, Annual 0.65%
I-Class	Initial Nil, Annual 0.65%
X-Class	On application ^b

Top ten holdings

	%
Germany 0.25% 2018	7.1
Treasury 1% 2017	6.3
Italy 3.5% 2017	6.3
Treasury 2% 2016	6.3
International Bank 0.875% 2014	5.6
Barclays Bank FRN 2015	4.3
Spain 4.1% 2018	3.7
Treasury 2.75% 2015	3.4
Germany 4.25% 2018	3.3
Abbey National Treasury Services FRN 2015	2.9

Sector breakdown

	%
Equities	28.7
Fixed interest securities	64.5
Options	0.2
Futures	(0.1)
Swaps	(0.1)
Forward currency contracts	0.4
Net other assets	6.4

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.

Highest/lowest share price and distribution record

Calendar year	Highest share price	Lowest share price	Distribution per share
A-Class Accumulation Shares			
2009	60.07p	54.70p	0.81p
2010	62.92p	58.68p	0.65p
2011	62.72p	58.73p	0.60p
2012	59.50p	54.70p	0.30p
2013	60.98p	55.62p	0.43p
2014 ^c	61.43p	60.69p	0.00p
A-Class Income Shares			
2009	54.75p	50.34p	0.74p
2010	56.74p	53.17p	0.59p
2011	56.28p	52.45p	0.54p
2012	53.08p	48.59p	0.27p
2013	53.75p	49.40p	0.38p
2014 ^c	54.15p	53.50p	0.00p
B-Class Accumulation Shares^d			
2012	55.55p	54.73p	0.11p
2013	61.31p	55.74p	0.71p
2014 ^c	61.77p	61.04p	0.05p
C-Class Accumulation Shares^e			
2012	100.3p	98.84p	0.24p
2013	110.7p	100.6p	1.30p
2014 ^c	111.6p	110.3p	0.11p
C-Class Gross Accumulation Shares^e			
2012	100.4p	98.86p	0.25p
2013	111.0p	100.7p	1.55p
2014 ^c	111.9p	110.6p	0.14p
C-Class Income Shares			
2009	100.9p	92.76p	1.87p
2010	104.6p	98.01p	1.62p
2011	103.8p	96.68p	1.55p
2012	97.87p	89.53p	0.97p
2013	99.07p	91.09p	1.19p
2014 ^c	99.83p	98.64p	0.10p
C-Class Gross Income Shares^e			
2012	100.3p	98.60p	0.26p
2013	109.1p	100.4p	1.52p
2014 ^c	109.9p	108.6p	0.13p
I-Class Accumulation Shares			
2009	61.74p	55.94p	1.18p
2010	65.03p	60.48p	1.06p
2011	65.24p	61.15p	1.04p
2012	61.99p	57.27p	0.69p
2013	64.30p	58.28p	0.74p
2014 ^c	64.80p	64.04p	0.09p

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

Highest/lowest share price and distribution record (continued)

Calendar year	Highest share price	Lowest share price	Distribution per share
I-Class Gross Accumulation Shares			
2009	113.5p	102.5p	2.77p
2010	120.0p	111.4p	2.38p
2011	120.8p	113.3p	2.38p
2012	114.9p	106.4p	1.58p
2013	119.8p	108.4p	1.92p
2014 ^c	120.7p	119.3p	0.21p
I-Class Income Shares			
2009	54.80p	50.37p	1.06p
2010	56.81p	53.20p	0.92p
2011	56.35p	52.49p	0.91p
2012	53.14p	48.55p	0.57p
2013	53.77p	49.40p	0.72p
2014 ^c	54.19p	53.55p	0.07p
X-Class Gross Accumulation Shares^f			
2010	100.3p	98.18p	-
2011	102.2p	95.93p	2.43p
2012	97.32p	90.53p	1.90p
2013	102.7p	92.31p	1.96p
2014 ^c	103.5p	102.3p	0.35p

^c To 31 January 2014.

^b B-Class Accumulation Shares were launched on 29 October 2012.

^c C-Class Accumulation Shares, C-Class Gross Accumulation Shares and C-Class Gross Income Shares were launched on 1 October 2012.

^f X-Class Gross Accumulation Shares were launched on 15 November 2010.

Portfolio turnover rate

31.01.13	294.6%
31.01.14	408.0%

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

Portfolio transaction costs

	Broker Commissions	Transaction Taxes	Total
31.01.13	0.08%	0.06%	0.14%
31.01.14	0.11%	0.07%	0.18%

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

Stamp duty reserve tax

31.01.13	(0.01%)
31.01.14	0.00%

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

Net asset values and Ongoing charges

Date	Net asset value per share class £'000	Number of shares	Net asset value per share	Ongoing charges
A-Class Accumulation Shares				
31.01.12	536,592	910,422,817	58.94p	1.43%
31.01.13	294,845	523,467,645	56.33p	1.43%
31.01.14	189,823	311,739,192	60.88p	1.43%
A-Class Income Shares				
31.01.12	40,526	77,128,022	52.54p	1.43%
31.01.13	20,419	40,993,167	49.81p	1.43%
31.01.14	13,456	25,069,161	53.68p	1.43%
B-Class Accumulation Shares				
31.01.13	3	5,000	56.37p	0.98%
31.01.14	45	73,514	61.24p	0.98%
C-Class Accumulation Shares				
31.01.13	250	245,132	101.9p	0.83%
31.01.14	3,993	3,609,438	110.6p	0.83%
C-Class Gross Accumulation Shares				
31.01.13	1	1,000	102.0p	0.83%
31.01.14	56	50,733	110.9p	0.83%
C-Class Income Shares				
31.01.12	736	760,100	96.78p	0.77%
31.01.13	86	93,612	91.76p	0.83%
31.01.14	917	927,692	98.87p	0.83%
C-Class Gross Income Shares				
31.01.13	1	1,000	101.0p	0.83%
31.01.14	1	1,000	108.9p	0.83%
I-Class Accumulation Shares				
31.01.12	7,001	11,403,903	61.40p	0.65%
31.01.13	4,697	7,953,999	59.05p	0.65%
31.01.14	54	84,048	64.25p	0.65%
I-Class Gross Accumulation Shares				
31.01.12	6,545	5,751,006	113.8p	0.65%
31.01.13	5,050	4,598,487	109.8p	0.65%
31.01.14	4,236	3,538,677	119.7p	0.65%
I-Class Income Shares				
31.01.12	2,673	5,087,624	52.54p	0.65%
31.01.13	551	1,108,109	49.76p	0.65%
31.01.14	558	1,040,667	53.65p	0.65%
X-Class Gross Accumulation Shares				
31.01.12	6,172	6,403,096	96.39p	0.06%
31.01.13	1	1,500	93.58p	0.06%
31.01.14	2	1,500	102.7p	0.06%

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

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

Portfolio statement

As at 31 January 2014

Investment	Holding	Market value £'000	Total net assets %
Equities - 28.7% (40.8%)			
United States of America - 12.2%			
Actavis	16,177	1,835	0.9
Aetna	58,934	2,465	1.1
CBS 'B'	36,609	1,316	0.6
Covidien	40,880	1,703	0.8
CVS Caremark	39,950	1,643	0.8
HCA	45,802	1,377	0.6
Macy's	46,327	1,517	0.7
Metlife	42,691	1,291	0.6
Mylan Laboratories	67,416	1,865	0.9
Pfizer	89,314	1,672	0.8
Prudential Financial	24,893	1,288	0.6
St. Jude Medical	50,661	1,885	0.9
Thermo Fisher Scientific	19,177	1,339	0.6
Time Warner	32,397	1,249	0.6
UnitedHealth Group	43,693	1,932	0.9
Wells Fargo	58,662	1,641	0.8
Japan - 6.4%			
Asahi Kasei	88,000	411	0.2
Bridgestone	19,400	430	0.2
Daito Trust Construction	13,700	793	0.4
Haseko	88,000	404	0.2
Japan Tobacco	50,100	951	0.4
Mitsubishi UFJ Financial Group	718,200	2,659	1.2
Mizuho Financial Group	1,132,700	1,474	0.7
Nippon Telegraph & Telephone	40,500	1,336	0.6
ORIX	39,500	373	0.2
Sekisui House	45,500	388	0.2
Sumitomo Mitsui Financial Group	66,000	1,892	0.9
Sumitomo Mitsui Trust	629,000	1,851	0.9
Toyota Motor	16,700	588	0.3
United Kingdom - 4.1%			
Berkeley Group 'B'	41,477	1,058	0.5
BT Group	178,699	678	0.3
GKN	132,376	513	0.2
GlaxoSmithKline	92,867	1,443	0.7
Lancashire	17,870	134	0.1
Legal & General Group	503,991	1,074	0.5
Next	23,369	1,441	0.7
Shire	61,813	1,855	0.9
WPP	39,693	494	0.2
Switzerland - 1.8%			
Novartis	26,260	1,260	0.6
Roche (Genusscheine)	9,050	1,496	0.7
Swiss Re	8,822	463	0.2
Zurich Insurance Group	3,830	671	0.3
Netherlands - 1.4%			
ING Groep	110,588	884	0.4
Wolters-Kluwer	47,917	804	0.4
Nutreco	29,356	791	0.4
Reed Elsevier	45,030	561	0.2
France - 0.8%			
Cap Gemini	27,675	1,152	0.5
Sanofi	9,175	548	0.3
Germany - 0.6%			
Bayer	12,073	962	0.4
Deutsche Wohnen	18,331	209	0.1
TAG Immobilien	17,450	128	0.1
Norway - 0.6%			
Marine Harvest	172,115	1,199	0.6
Belgium - 0.5%			
Ageas	38,359	995	0.5
Denmark - 0.3%			
Novo-Nordisk 'B'	29,570	714	0.3

Investment	Holding	Market value £'000	Total net assets %
Fixed interest securities - 64.5% (40.6%)			
Sterling - 31.1%			
Abbey National Treasury Services FRN 2015	£6,000,000	6,086	2.9
Barclays Bank FRN 2015	£9,000,000	9,117	4.3
International Bank 0.875% 2014	£12,000,000	12,033	5.6
Treasury 1% 2017	£13,600,000	13,463	6.3
Treasury 2% 2016	£13,000,000	13,347	6.3
Treasury 2.25% 2014	£4,800,000	4,808	2.3
Treasury 2.75% 2015	£7,200,000	7,360	3.4
Euro - 30.2%			
Finland 2.75% 2028	€6,700,000	5,781	2.7
France 1% 2018	€7,100,000	5,907	2.8
Germany 0.25% 2018	€18,576,000	15,166	7.1
Germany 4.25% 2018	€7,300,000	7,006	3.3
Italy 2.25% 2016	€7,000,000	5,888	2.8
Italy 3.5% 2017	€15,400,000	13,358	6.3
Italy 5.5% 2022	€3,500,000	3,302	1.5
Spain 4.1% 2018	€8,900,000	7,945	3.7
US Dollar - 3.2%			
Hutchison Whampoa 6% Perpetual	\$7,400,000	4,744	2.2
US Treasury 1.625% 2022	\$3,500,000	1,978	1.0
Options - 0.2% (0.2%)			
FTSE 100 Put Options 6500 Feb 2014	81	113	0.1
SPX Put Options Feb 2014	50	98	-
SPXW Put Options Feb 2014	99	134	0.1
Forward currency contracts - 0.4% (1.1%)			
Australian Dollar			
Buy AUD2,015,119 sell MXN23,514,470 dated 18/02/14		4	-
Sell AUD6,791,623 buy £3,722,661 dated 18/02/14		132	0.1
Canadian Dollar			
Buy CAD7,874,129 sell HKD54,727,055 dated 18/02/14		(11)	-
Buy CAD4,743,971 sell \$4,255,003 dated 18/02/14		(12)	-
Buy CAD1,944,130 sell SEK11,503,313 dated 18/02/14		(13)	-
Sell CAD6,688,101 buy £3,739,398 dated 18/02/14		112	-
Euro			
Buy €4,285,464 sell £3,539,517 dated 18/02/14		(12)	-
Sell €92,394,382 buy £76,953,444 dated 18/02/14		888	0.4
Hong Kong Dollar			
Buy HKD27,564,587 sell MXN47,201,599 dated 18/02/14		26	-
Buy HKD27,688,366 sell SEK23,122,944 dated 18/02/14		21	-
Japanese Yen			
Buy ¥1,232,653,543 sell £7,280,093 dated 18/02/14		47	-
Sell ¥3,639,756,043 buy £21,239,545 dated 18/02/14		(397)	(0.2)
Mexican Peso			
Sell MXN46,235,528 buy £2,142,812 dated 18/02/14		55	-
New Zealand Dollar			
Buy NZD4,515,033 sell £2,305,095 dated 18/02/14		(82)	-
Sell NZD4,515,033 buy £2,299,646 dated 18/02/14		77	-
Norwegian Krone			
Buy NOK17,493,433 sell HUF636,801,590 dated 18/02/14		19	-
Sell NOK4,653,049 buy £455,959 dated 18/02/14		6	-
South African Rand			
Buy ZAR37,032,820 sell £2,085,853 dated 18/02/14		(101)	-
Sell ZAR37,032,820 buy £2,068,618 dated 18/02/14		84	-
Swiss Franc			
Buy CHF2,172,250 sell \$2,392,438 dated 18/02/14		9	-
Buy CHF1,911,530 sell £1,289,066 dated 18/02/14		(2)	-
Sell CHF8,856,239 buy £5,992,298 dated 18/02/14		28	-
US Dollars			
Buy \$3,897,451 sell HUF880,856,622 dated 18/02/14		56	-
Buy \$31,111,375 sell £18,898,903 dated 18/02/14		5	-
Buy \$1,864,710 sell BRL4,526,584 dated 18/02/14		3	-
Sell \$67,342,454 buy £40,975,927 dated 18/02/14		58	0.1
Sell \$3,000,000 buy £1,812,597 dated 18/02/14		(10)	-

Portfolio statement – continued

As at 31 January 2014

Investment	Holding	Market value £'000	Total net assets %
Futures – (0.1)% ((0.3)%)			
CAC 40 Index Futures Mar 2014	(152)	216	0.1
Euro Bund Index Futures Mar 2014	(84)	(177)	(0.1)
FTSE 100 Index Futures Mar 2014	49	(54)	-
FTSE/JSE 40 Index Futures Mar 2014	(142)	49	-
FTSE/MIIB Index Futures Mar 2014	(26)	32	-
Hang Seng Index Futures Feb 2014	(109)	(20)	-
IBEX 35 Futures Feb 2014	(26)	20	-
MDAX Index Futures Mar 2014	78	(241)	(0.1)
Mini MSCI Futures Mar 2014	(219)	446	0.2
Russell 2000 Mini Futures Mar 2014	65	79	-
S&P500 E-Mini Futures Mar 2014	439	(426)	(0.2)
Swiss Market IX Futures Mar 2014	116	(287)	(0.1)
Topix Index Futures Mar 2014	(43)	186	0.1
US 10 Year Note Futures Mar 2014	347	35	-
US 5 Year Treasury Note Futures Mar 2014	(180)	22	-
Swaps – (0.1)% (0.0%)			
Euro Stoxx 50 Equity Variance Swaps 0.05% 20 Jun 2014	3,171	(545)	(0.3)
FTSE 100 Equity Variance Swaps 0.03% 20 Jun 2014	933	(19)	-
Hang Seng Equity Variance Swaps 0.07% 27 Jun 2014	26,831	(339)	(0.2)
Hang Seng Equity Variance Swaps 0.08% 27 Jun 2014	12,422	(247)	(0.1)
Inflation Rate Swaps UK RPI 0% 26 Feb 2023	(7,400,000)	(104)	(0.1)
Inflation Rate Swaps UK RPI 0% 07 Mar 2023	(7,400,000)	(201)	(0.1)
Inflation Rate Swaps UK RPI 0% 17 Apr 2023	(7,700,000)	(184)	(0.1)
KRX Korea Equity Variance Swaps 0.0324% 12 Jun 2014	1,568,478	(19)	-
S&P500 Equity Variance Swaps 0.0361% 20 Jun 2014	4,879	547	0.3
S&P500 Equity Variance Swaps 0.04% 20 Jun 2014	4,879	547	0.3
S&P500 Equity Variance Swaps 0.05% 20 Jun 2014	2,151	363	0.2
Investment assets (including investment liabilities)		199,398	93.6
Net other assets		13,743	6.4
Net assets		213,141	100.0

Unless otherwise stated the above securities are admitted to official stock exchange listings or trade on a regulated market.

The comparative percentage figures in brackets are at 31 January 2013.

	Market value £'000
Portfolio credit ratings	
AAA	57,167
AA+	44,885
BBB	35,237
Total bonds	137,289
Equities	61,095
Options	345
Forward currency contracts	990
Futures	(120)
Swaps	(201)
Investment assets (including investment liabilities)	199,398

Counterparty exposure

Counterparty	Equity variance swaps £'000	Forward currency contracts £'000	Futures contracts £'000	Index Option contracts £'000	Total £'000
Barclays	-	1	-	-	1
BNP Paribas	1,457	-	-	-	1,457
CitiBank	-	137	-	-	137
Credit Suisse	-	968	-	-	968
Deutsche Bank	-	(24)	-	-	(24)
Goldman Sachs	-	(379)	1,082	345	1,048
HSBC	-	99	-	-	99
RBC	-	(24)	-	-	(24)
Societe Generale	-	80	-	-	80
State Street	-	87	-	-	87
Toronto Dominion Bank	-	50	-	-	50
Westpac Banking Corp	-	(6)	-	-	(6)

At the balance sheet date, there was no collateral received by the fund from the above counterparties.

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.

Portfolio movements

For the year ending 31 January 2014

	£'000		£'000
Total of all purchases for the year (Note 10)	459,044	Total of all sales for the year (Note 10)	585,488
Major purchases	Cost	Major sales	Proceeds
Germany 0.25% 2018	15,523	Australia FRN Index Linked 2020	17,702
Germany 0% 2015	14,232	Germany 4% 2018	17,155
Treasury 2.75% 2015	13,689	JPM Global Strategic Bond 'X' GBP (Distribution)^	17,102
Treasury 1% 2017	13,661	Treasury 1% 2017	14,735
Treasury 2% 2016	13,479	Germany 0% 2015	14,433
S&P US Select Sector Source ETF Fund 'A'	12,967	New Zealand FRN 2025	13,891
Treasury 2.25% 2014	12,936	S&P US Select Sector Source ETF Fund 'A'	13,685
Italy 5.5% 2022	9,442	Wells Fargo 'A' Perpetual Convertible Preference	13,025
Germany 2.25% 2021	9,363	British Land 1.5% Convertible 2017	11,773
Finland 2.75% 2028	9,214	Italy 4.75% 2016	10,613
Spain 4.1% 2018	7,965	Bank of America	10,207
Mitsubishi UFJ Financial Group	7,590	Siemens 1.65% Convertible 2019	9,858
Germany 4.25% 2018	7,292	Germany 2.25% 2021	9,370
Sumitomo Mitsui Financial Group	7,036	Microsoft 0% Convertible 2013	9,211
Italy 3.5% 2017	6,268	Treasury 2.25% 2014	8,050
Sumitomo Mitsui Trust	6,204	Sumitomo Mitsui Financial Group	6,520
France 1% 2018	6,079	Sanofi	6,488
New Zealand FRN 2025	5,991	Mitsubishi UFJ Financial Group	6,422
Italy 2.25% 2016	5,961	Treasury 2.75% 2015	6,172
Mizuho Financial Group	5,649	Italy 5.5% 2022	5,975

^ Deemed to be investment in related parties of the ACD

Financial statements

Statement of total return

For the year ending 31 January

	2014	2013
£'000	£'000	£'000
Income		
Net capital gains/(losses) (Note 1)	20,503	(30,916)
Revenue (Note 2)	5,271	10,866
Expenses (Note 3)	(3,743)	(6,314)
Net revenue before taxation	1,528	4,552
Taxation (Note 4)	(256)	(349)
Net revenue after taxation	1,272	4,203
Total return before distributions	21,775	(26,713)
Finance costs: Distributions (Note 5)	(1,346)	(4,244)
Change in net assets attributable to shareholders from investment activities	20,429	(30,957)

Statement of change in net assets attributable to shareholders

For the year ending 31 January

	2014	2013
£'000	£'000	£'000
Opening net assets attributable to shareholders	325,904	600,245
Amounts receivable on issue of shares	3,975	1,579
Amounts payable on cancellation of shares	(138,122)	(247,951)
	(134,147)	(246,372)
Change in net assets attributable to shareholders from investment activities (see above)	20,429	(30,957)
Retained distributions on accumulation shares	963	2,924
Stamp duty reserve tax	(8)	64
Closing net assets attributable to shareholders	213,141	325,904

Balance sheet

As at 31 January

	2014	2013
£'000	£'000	£'000
ASSETS		
Investment assets	202,901	310,091
Debtors (Note 7)	7,137	6,221
Cash and bank balances (Note 8)	12,847	24,561
Total other assets	19,984	30,782
Total assets	222,885	340,873
LIABILITIES		
Investment liabilities	(3,503)	(5,227)
Creditors (Note 9)	(6,239)	(9,648)
Distribution payable on income shares	(2)	(94)
Total other liabilities	(6,241)	(9,742)
Total liabilities	(9,744)	(14,969)
Net assets attributable to shareholders	213,141	325,904

The notes to these financial statements are shown on pages 29 to 31.

Notes to the financial statements for the year ending 31 January 2014

1. Net capital gains/(losses)

	2014	2013
	£'000	£'000
Currency gains/(losses)	825	(3,812)
Derivative contracts	(5,804)	(47,203)
Forward currency contracts	8,082	4,919
Non-derivative securities	17,400	15,180
Net capital gains/(losses)	<u>20,503</u>	<u>(30,916)</u>

2. Revenue

	2014	2013
	£'000	£'000
Distributions from overseas investments	-	25
Franked income from UK equity investments	361	490
Income from overseas equity investments	2,337	2,906
Interest on amounts held with futures clearing houses and brokers	-	40
Interest on bank and term deposits	95	107
Interest on fixed-interest securities	2,478	6,892
Stock dividends	-	406
Total revenue	<u>5,271</u>	<u>10,866</u>

3. Expenses

	2014	2013
	£'000	£'000
Payable to the ACD or associate of the ACD:		
ACD fee	3,277	5,528
Fixed expenses	466	786
Total expenses	<u>3,743</u>	<u>6,314</u>

4. Taxation

	2014	2013
	£'000	£'000
a) Analysis of charge in the year		
Overseas tax suffered	256	349
Current year tax charge (Note 4b)	<u>256</u>	<u>349</u>

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	1,528	4,552
Corporation tax at 20%	<u>306</u>	<u>910</u>

Effects of:

Dividends not subject to corporation tax	(540)	(756)
Excess expenses for which no relief taken	234	(69)
Interest distributions deductible for tax purposes	-	(85)
Overseas tax suffered	256	349
	<u>(50)</u>	<u>(561)</u>
Current year tax charge (Note 4a)	<u>256</u>	<u>349</u>

No deferred tax asset has been recognised in the financial statements. At the year end date, the Fund had a potential unrecognised deferred tax asset of £679,151 (31.01.13: £444,704) in relation to £3,395,754 (31.01.13: £2,223,520) of excess interest distributions 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.

5. Finance costs

Distributions

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

	2014	2013
	£'000	£'000
First interim interest distribution	998	406
Second interim interest distribution	241	765
Third interim interest distribution	14	988
Final interest distribution	17	1,778
Add: Amounts payable on cancellation of shares	80	309
Deduct: Amounts receivable on issue of shares	(4)	(2)
Total finance costs	<u>1,346</u>	<u>4,244</u>

Details of the distribution per share are set out on pages 32 to 35.

6. Movement between net revenue after taxation and distributions

	2014	2013
	£'000	£'000
Net revenue after taxation	1,272	4,203
Add: Net expense payable from capital	23	-
Add: Undistributed revenue brought forward	50	91
Deduct: Undistributed revenue carried forward	-	(50)
Equalisation on conversions	1	-
	<u>1,346</u>	<u>4,244</u>

7. Debtors

	2014	2013
	£'000	£'000
Accrued income	914	882
Due from the ACD for shares created	18	154
Overseas tax recoverable	131	65
Sales awaiting settlement	6,074	5,120
Total debtors	<u>7,137</u>	<u>6,221</u>

8. Cash and bank balances

	2014	2013
	£'000	£'000
Amounts held at futures clearing houses and brokers	6,809	8,229
Cash and bank balances	6,038	16,332
Total cash and bank balances	<u>12,847</u>	<u>24,561</u>

9. Creditors

	2014	2013
	£'000	£'000
Accrued expenses	257	396
Due to the ACD for shares cancelled	994	2,127
Income tax payable	(2)	559
Purchases awaiting settlement	4,990	6,566
Total creditors	<u>6,239</u>	<u>9,648</u>

Notes to the financial statements – continued

10. Portfolio transaction costs

	2014 £'000	2013 £'000
Analysis of total purchase costs		
Purchases in year before transaction costs	458,696	726,532
Commissions	157	169
Taxes	191	208
Total purchase costs	348	377
Gross purchases total	459,044	726,909
Analysis of total sale costs		
Gross sales before transaction costs	585,683	887,974
Commissions	(186)	(228)
Taxes	(9)	(9)
Total sale costs	(195)	(237)
Total sales net of transaction costs	585,488	887,737

11. 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 £1,233,050 (31.01.13: £2,369,195). Details of related party transactions are given under note 13 on page 413.

Investments considered to be related parties have been identified in the portfolio statement on pages 25 to 26 and the revenue from these investments was £nil (31.01.13: £24,883).

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 £34,179 (31.01.13: £658). 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:

- Scottish Widows Unit Funds Ltd 11.91% (31.01.13: 0.00%)

12. 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.

Currency	Net foreign currency assets/(liabilities)		
	Total £'000	Monetary exposures £'000	Non-monetary exposures £'000
31.01.14			
Euro	72,562	1,871	70,691
US Dollar	36,108	1,523	34,585
Japanese Yen	14,372	636	13,736
Swiss Franc	3,464	(140)	3,604
Brazilian Real	1,349	1,349	-
Norwegian Krone	1,193	(6)	1,199
Danish Krone	714	-	714
South African Rand	126	77	49
Australian Dollar	122	122	-
Mexican Peso	115	115	-
Canadian Dollar	107	107	-
Hungarian Forint	83	83	-
Swedish Krona	38	38	-
New Zealand Dollar	(5)	(5)	-
Korean Won	(19)	-	(19)
Hong Kong Dollar	(96)	510	(606)
31.01.13			
Brazilian Real	1,993	1,993	-
Japanese Yen	1,574	(21,659)	23,233
Singapore Dollar	1,251	(1,546)	2,797
Swiss Franc	1,251	(8,199)	9,450
Danish Krone	689	-	689
Norwegian Krone	533	(2,193)	2,726
Euro	196	(66,836)	67,032
US Dollar	(89)	(86,330)	86,241
New Zealand Dollar	(435)	(10,266)	9,831
Australian Dollar	(488)	(17,884)	17,396
Hong Kong Dollar	(657)	(657)	-

Notes to the financial statements – continued

Interest rate risk

The tables below detail the interest rate profile of the Fund's assets and liabilities as at the year end.

Currency	Total assets £'000	Floating rate financial assets £'000	Fixed rate financial assets £'000	Financial assets not carrying any interest £'000
31.01.14				
UK Sterling	85,822	25,059	51,011	9,752
Euro	72,562	312	64,353	7,897
US Dollar	36,108	5,044	1,978	29,086
Japanese Yen	17,001	(78)	-	17,079
Swiss Franc	4,162	453	-	3,709
Brazilian Real	1,349	1,357	-	(8)
Norwegian Krone	1,193	-	-	1,193
Danish Krone	714	-	-	714
South African Rand	126	94	-	32
Australian Dollar	122	-	-	122
Mexican Peso	115	-	-	115
Canadian Dollar	107	-	-	107
Hungarian Forint	83	-	-	83
Swedish Krona	38	-	-	38
New Zealand Dollar	(5)	-	-	(5)
Korean Won	(19)	-	-	(19)
Hong Kong Dollar	(95)	553	-	(648)
31.01.13				
UK Sterling	324,258	22,329	38,879	263,050
Japanese Yen	3,914	-	-	3,914
Brazilian Real	1,993	1,993	-	-
Singapore Dollar	1,669	-	1,653	16
Norwegian Krone	1,485	-	-	1,485
Swiss Franc	1,251	-	-	1,251
Euro	1,011	815	45,244	(45,048)
US Dollar	956	11,763	30,757	(41,564)
Danish Krone	689	-	-	689
New Zealand Dollar	(435)	-	9,831	(10,266)
Australian Dollar	(488)	3,008	17,034	(20,530)
Hong Kong Dollar	(657)	5	-	(662)

The floating rate financial assets comprise investments in variable interest rate paying corporate debt and bank balances that bear interest at rates based on LIBOR or its overseas equivalent.

Currency	Total liabilities £'000	Floating rate financial liabilities £'000	Financial liabilities not carrying any interest £'000
31.01.14			
UK Sterling	2,914	-	2,914
Japanese Yen	2,629	-	2,629
Swiss Franc	698	-	698
31.01.13			
UK Sterling	4,172	-	4,172
Japanese Yen	2,340	-	2,340
US Dollar	1,045	-	1,045
Norwegian Krone	952	-	952
Euro	815	-	815
Singapore Dollar	418	-	418

Fixed rate financial assets
Weighted average period for which rate is fixed (years)

Currency	Weighted average interest rate	Weighted average period for which rate is fixed (years)
31.01.14		
US Dollar	8.5%	8.5
Euro	1.4%	5.2
UK Sterling	0.7%	1.8
31.01.13		
Singapore Dollar	2.2%	5.1
New Zealand Dollar	1.9%	12.6
Euro	1.7%	4.1
US Dollar	1.2%	4.2
UK Sterling	0.8%	3.6
Australian Dollar	-	7.6

For consideration of other risks including liquidity, pricing and credit risk, please refer to the notes to the aggregated financial statements, pages 413 to 414.

13. 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 fixed expenses charge are shown below.

	ACD fee	Fixed expenses
Class A shares:	1.25%	0.18%
Class B shares:	0.80%	0.18%
Class C shares:	0.65%	0.18%
Class I shares:	0.65%	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 page 24. All classes have the same rights on winding up.

14. Derivatives

The Fund enters into derivative transactions in the form of credit default swaps, forward currency contracts, futures and options. The Fund may use derivatives for investment purposes or efficient portfolio management including hedging, where appropriate. The positive mark to market 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 & 500 days of history. As at the balance date the VaR was 2.61%.

The effective observation period changed to 500 days from 31/10/2012 onwards due to a change to a new VaR calculation process.

Further information on the derivative risks can be found in the notes to the aggregated financial statements on page 414.

15. Contingent liabilities and capital commitments

At the balance sheet date there were no contingent liabilities or capital commitments (2013: none).

Distribution tables

Final interest distribution in pence per share

Group 1 – Shares purchased prior to 1 November 2013

Group 2 – Shares purchased 1 November 2013 to 31 January 2014

	Gross revenue	Tax at 20%	Net revenue	Equalisation	Distribution payable 30.04.14	Distribution paid 30.04.13
A-Class Accumulation Shares						
Group 1	0.000000	0.000000	0.000000	-	0.000000	0.240000
Group 2	0.000000	0.000000	0.000000	0.000000	0.000000	0.240000
A-Class Income Shares						
Group 1	0.000000	0.000000	0.000000	-	0.000000	0.220000
Group 2	0.000000	0.000000	0.000000	0.000000	0.000000	0.220000
B-Class Accumulation Shares						
Group 1	0.062500	0.012500	0.050000	-	0.050000	0.360000
Group 2	0.031171	0.006234	0.024937	0.025063	0.050000	0.360000
C-Class Accumulation Shares						
Group 1	0.137500	0.027500	0.110000	-	0.110000	0.580000
Group 2	0.095149	0.019030	0.076119	0.033881	0.110000	0.580000
C-Class Gross Accumulation Shares						
Group 1	0.140000	0.000000	0.140000	-	0.140000	0.710000
Group 2	0.140000	0.000000	0.140000	0.000000	0.140000	0.710000
C-Class Income Shares						
Group 1	0.125000	0.025000	0.100000	-	0.100000	0.540000
Group 2	0.101118	0.020224	0.080894	0.019106	0.100000	0.540000
C-Class Gross Income Shares						
Group 1	0.130000	0.000000	0.130000	-	0.130000	0.710000
Group 2	0.130000	0.000000	0.130000	0.000000	0.130000	0.710000
I-Class Accumulation Shares						
Group 1	0.112500	0.022500	0.090000	-	0.090000	0.350000
Group 2	0.041074	0.008215	0.032859	0.057141	0.090000	0.350000
I-Class Gross Accumulation Shares						
Group 1	0.210000	0.000000	0.210000	-	0.210000	0.810000
Group 2	0.180926	0.000000	0.180926	0.029074	0.210000	0.810000
I-Class Income Shares						
Group 1	0.087500	0.017500	0.070000	-	0.070000	0.320000
Group 2	0.087500	0.017500	0.070000	0.000000	0.070000	0.320000
X-Class Gross Accumulation Shares						
Group 1	0.350000	0.000000	0.350000	-	0.350000	0.540000
Group 2	0.350000	0.000000	0.350000	0.000000	0.350000	0.540000

Distribution tables – continued

Third interim interest distribution in pence per share

Group 1 – Shares purchased prior to 1 August 2013

Group 2 – Shares purchased 1 August 2013 to 31 October 2013

	Gross revenue	Tax at 20%	Net revenue	Equalisation	Distribution paid 31.01.14	Distribution paid 31.01.13
A-Class Accumulation Shares						
Group 1	0.000000	0.000000	0.000000	-	0.000000	0.110000
Group 2	0.000000	0.000000	0.000000	0.000000	0.000000	0.110000
A-Class Income Shares						
Group 1	0.000000	0.000000	0.000000	-	0.000000	0.100000
Group 2	0.000000	0.000000	0.000000	0.000000	0.000000	0.100000
B-Class Accumulation Shares						
Group 1	0.062500	0.012500	0.050000	-	0.050000	0.110000
Group 2	0.053650	0.010730	0.042920	0.007080	0.050000	0.110000
C-Class Accumulation Shares						
Group 1	0.175000	0.035000	0.140000	-	0.140000	0.240000
Group 2	0.058155	0.011631	0.046524	0.093476	0.140000	0.240000
C-Class Gross Accumulation Shares						
Group 1	0.150000	0.000000	0.150000	-	0.150000	0.250000
Group 2	0.000000	0.000000	0.000000	0.150000	0.150000	0.250000
C-Class Income Shares						
Group 1	0.162500	0.032500	0.130000	-	0.130000	0.280000
Group 2	0.079146	0.015829	0.063317	0.066683	0.130000	0.280000
C-Class Gross Income Shares						
Group 1	0.140000	0.000000	0.140000	-	0.140000	0.260000
Group 2	0.140000	0.000000	0.140000	0.000000	0.140000	0.260000
I-Class Accumulation Shares						
Group 1	0.012500	0.002500	0.010000	-	0.010000	0.200000
Group 2	0.012500	0.002500	0.010000	0.000000	0.010000	0.200000
I-Class Gross Accumulation Shares						
Group 1	0.240000	0.000000	0.240000	-	0.240000	0.480000
Group 2	0.240000	0.000000	0.240000	0.000000	0.240000	0.480000
I-Class Income Shares						
Group 1	0.112500	0.022500	0.090000	-	0.090000	0.160000
Group 2	0.112500	0.022500	0.090000	0.000000	0.090000	0.160000
X-Class Gross Accumulation Shares						
Group 1	0.380000	0.000000	0.380000	-	0.380000	0.550000
Group 2	0.380000	0.000000	0.380000	0.000000	0.380000	0.550000

Distribution tables – continued

Second interim interest distribution in pence per share

Group 1 – Shares purchased prior to 1 May 2013

Group 2 – Shares purchased 1 May 2013 to 31 July 2013

	Gross revenue	Tax at 20%	Net revenue	Equalisation	Distribution paid 31.10.13	Distribution paid 31.10.12
A-Class Accumulation Shares						
Group 1	0.050000	0.010000	0.040000	-	0.040000	0.070000
Group 2	0.000000	0.000000	0.000000	0.040000	0.040000	0.070000
A-Class Income Shares						
Group 1	0.037500	0.007500	0.030000	-	0.030000	0.060000
Group 2	0.005236	0.001047	0.004189	0.025811	0.030000	0.060000
B-Class Accumulation Shares						
Group 1	0.112500	0.022500	0.090000	-	0.090000	-
Group 2	0.042460	0.008492	0.033968	0.056032	0.090000	-
C-Class Accumulation Shares						
Group 1	0.237500	0.047500	0.190000	-	0.190000	-
Group 2	0.089920	0.017984	0.071936	0.118064	0.190000	-
C-Class Gross Accumulation Shares						
Group 1	0.230000	0.000000	0.230000	-	0.230000	-
Group 2	0.202356	0.000000	0.202356	0.027644	0.230000	-
C-Class Income Shares						
Group 1	0.212500	0.042500	0.170000	-	0.170000	0.260000
Group 2	0.074679	0.014936	0.059743	0.110257	0.170000	0.260000
C-Class Gross Income Shares						
Group 1	0.200000	0.000000	0.200000	-	0.200000	-
Group 2	0.200000	0.000000	0.200000	0.000000	0.200000	-
I-Class Accumulation Shares						
Group 1	0.162500	0.032500	0.130000	-	0.130000	0.180000
Group 2	0.011870	0.002374	0.009496	0.120504	0.130000	0.180000
I-Class Gross Accumulation Shares						
Group 1	0.300000	0.000000	0.300000	-	0.300000	0.380000
Group 2	0.082061	0.000000	0.082061	0.217939	0.300000	0.380000
I-Class Income Shares						
Group 1	0.137500	0.027500	0.110000	-	0.110000	0.150000
Group 2	0.137500	0.027500	0.110000	0.000000	0.110000	0.150000
X-Class Gross Accumulation						
Group 1	0.410000	0.000000	0.410000	-	0.410000	0.460000
Group 2	0.410000	0.000000	0.410000	0.000000	0.410000	0.460000

Distribution tables – continued

First interim interest distribution in pence per share

Group 1 – Shares purchased prior to 1 February 2013

Group 2 – Shares purchased 1 February 2013 to 30 April 2013

	Gross revenue	Tax at 20%	Net revenue	Equalisation	Distribution paid 31.07.13	Distribution paid 31.07.12
A-Class Accumulation Shares						
Group 1	0.187500	0.037500	0.150000	-	0.150000	0.030000
Group 2	0.101713	0.020342	0.081371	0.068629	0.150000	0.030000
A-Class Income Shares						
Group 1	0.162500	0.032500	0.130000	-	0.130000	0.020000
Group 2	0.121452	0.024290	0.097162	0.032838	0.130000	0.020000
B-Class Accumulation Shares						
Group 1	0.262500	0.052500	0.210000	-	0.210000	-
Group 2	0.240978	0.048195	0.192783	0.017217	0.210000	-
C-Class Accumulation Shares						
Group 1	0.487500	0.097500	0.390000	-	0.390000	-
Group 2	0.316670	0.063334	0.253336	0.136664	0.390000	-
C-Class Gross Accumulation Shares						
Group 1	0.460000	0.000000	0.460000	-	0.460000	-
Group 2	0.460000	0.000000	0.460000	0.000000	0.460000	-
C-Class Income Shares						
Group 1	0.437500	0.087500	0.350000	-	0.350000	0.140000
Group 2	0.189771	0.037954	0.151817	0.198183	0.350000	0.140000
C-Class Gross Income Shares						
Group 1	0.470000	0.000000	0.470000	-	0.470000	-
Group 2	0.470000	0.000000	0.470000	0.000000	0.470000	-
I-Class Accumulation Shares						
Group 1	0.312500	0.062500	0.250000	-	0.250000	0.110000
Group 2	0.193051	0.038610	0.154441	0.095559	0.250000	0.110000
I-Class Gross Accumulation Shares						
Group 1	0.570000	0.000000	0.570000	-	0.570000	0.280000
Group 2	0.387783	0.000000	0.387783	0.182217	0.570000	0.280000
I-Class Income Shares						
Group 1	0.250000	0.050000	0.200000	-	0.200000	0.100000
Group 2	0.250000	0.050000	0.200000	0.000000	0.200000	0.100000
X-Class Gross Accumulation Shares						
Group 1	0.630000	0.000000	0.630000	-	0.630000	0.370000
Group 2	0.630000	0.000000	0.630000	0.000000	0.630000	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 Diversified Real Return Fund

Investment objective and policy^A

The Fund aims to provide an investment return in excess of the Retail Prices Index over rolling 5 year periods, although this is not guaranteed. Your capital is at risk and there is no guarantee that positive investment returns will be achieved over any time period.

The Fund will primarily invest in Debt Securities (which may include Below-Investment Grade Bonds and Unrated Securities), Index-Linked Debt Securities, Convertible Bonds, Equity and Equity-Linked securities (which may include smaller companies), Real Estate Investment Trusts ("REITs"), Commodity Index Instruments 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. The Fund may invest up to 70% in government and public securities (see section 3.11(e) of the Prospectus). The Fund's Debt Securities, Index-Linked Debt Securities and Commodity Index Instruments will typically be either denominated in Sterling or hedged back to Sterling, however, the remainder of the Fund's non-Sterling denominated assets will not normally 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, where appropriate.** 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.

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 return over the long term in excess of the Retail Prices Index. However, you should note that the Fund does not offer any form of guarantee with respect to the investment objective, and no form of capital protection will apply. 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 Bonds and certain Unrated securities which may also be subject to higher volatility and be more difficult to sell than Investment Grade Bonds.

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 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.

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.

Investments in companies engaged in the business of real estate may be subject to increased liquidity risk and price volatility due to changes in economic conditions and interest rates.

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.

The value of securities in which the Fund invests may be influenced by movements in commodity prices which can be very volatile.

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

In the 12 months to 31 January 2014, global equities delivered double-digit returns as economic data improved, particularly in the US and Europe. The decision of the US Federal Reserve to taper its asset purchases contributed to negative performance for bond markets and the underperformance of emerging vs. developed equity markets.

The Fund delivered a negative return in the review period, underperforming its benchmark. It was a challenging period for a number of asset classes that the Fund has exposure in, including index-linked bonds. The largest negative contribution came from our commodities investments and natural resource equities, which were adversely impacted by the slowdown in emerging markets and the end of the commodity supercycle. This negative performance was partially offset by strong gains from our corporate bond exposure.

Fund outlook

We retain a positive outlook for risk assets, due to improving global growth with quiescent inflation, accommodative monetary policy and still-supportive valuations. However, we have slightly lower conviction in markets and expect increased volatility this year. Our concerns centre around the cyclical challenges in emerging economies and the resilience of the global economy in the face of rising rates.

12 month performance as at 31 January

	2014
JPM Diversified Real Return A-Class Acc	-4.7%
JPM Diversified Real Return B-Class Acc	-4.4%
JPM Diversified Real Return C-Class Acc	-4.4%
Benchmark Index	-1.9%

Fund statistics

Risk and Reward Profile	5*
Fund size	£21.2m
Benchmark Index	Barclays Inflation-Linked UK Government Bond 1-10 Years Index
A-Class	Initial 3.00%, Annual 1.25%
B-Class	Initial Nil, Annual 0.80%
C-Class	Initial Nil, Annual 0.65%

Top ten holdings

	%
iShares Global Infrastructure	5.8
iShares Emerging Market Infrastructure	1.7
Treasury 2.5% Index-Linked 2016	1.4
Treasury 2.5% Index-Linked 2020	1.2
Treasury 2.5% Index-Linked 2024	1.2
Treasury 1.25% Index-Linked 2027	1.2
Treasury 1.75% Index-Linked 2055	1.1
Treasury 1.125% Index-Linked 2037	1.1
Treasury 2% Index-Linked 2035	1.0
Treasury 1.25% Index-Linked 2032	1.0

Sector breakdown

	%
Corporate bonds	38.4
Equities	27.9
Government bonds	18.0
Forward currency contracts	0.1
Swaps	0.1
Net other assets	15.5

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.

Highest/lowest share price and distribution record

Calendar year	Highest share price	Lowest share price	Distribution per share (net)
A-Class Accumulation Shares^B			
2012	51.39p	48.69p	0.08p
2013	53.46p	49.57p	0.39p
2014 ^C	50.34p	49.83p	0.21p
A-Class Income Shares^B			
2012	51.30p	48.69p	0.08p
2013	53.18p	49.30p	0.39p
2014 ^C	49.88p	49.38p	0.21p
B-Class Accumulation Shares^D			
2012	51.41p	50.68p	-
2013	53.53p	49.67p	0.49p
2014 ^C	50.58p	50.07p	0.26p
C-Class Accumulation Shares^E			
2012	102.6p	100.2p	-
2013	106.9p	99.17p	1.26p
2014 ^C	100.9p	99.90p	0.59p
C-Class Income Shares^E			
2012	102.8p	100.2p	-
2013	106.3p	98.58p	1.06p
2014 ^C	99.90p	98.90p	0.63p

^B A-Class Accumulation Shares and A-Class Income Shares were launched on 1 April 2012.

^C To 31 January 2014.

^D B-Class Accumulation Shares were launched on 29 October 2012.

^E C-Class Accumulation Shares and C-Class Income Shares were launched on 20 August 2012.

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

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

All performance returns are calculated using the quoted price of the accumulation shares. Performance returns are in Sterling.
Source: J.P. Morgan.

Portfolio turnover rate

31.01.13	10.8%
31.01.14	59.3%

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

Portfolio transaction costs

	Broker Commissions	Transaction Taxes	Total
31.01.13	0.03%	0.02%	0.05%
31.01.14	0.03%	0.01%	0.04%

The percentage figures disclosed above reflect the average broker commissions and transaction taxes suffered since launch divided by the average assets under management over the same period.

Stamp duty reserve tax

31.01.13	0.00%
31.01.14	0.00%

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

Net asset values and Ongoing charges

Date	Net asset value per share class £'000	Number of shares	Net asset value per share	Ongoing charges
A-Class Accumulation Shares				
31.01.13	6,512	12,452,069	52.30p	1.43%
31.01.14	6,210	12,416,617	50.01p	1.43%
A-Class Income Shares				
31.01.13	6,427	12,355,512	52.02p	1.43%
31.01.14	6,100	12,361,496	49.35p	1.43%
B-Class Accumulation Shares				
31.01.13	3	5,000	52.33p	0.98%
31.01.14	3	5,000	50.25p	0.98%
C-Class Accumulation Shares				
31.01.13	6,868	6,575,606	104.4p	0.83%
31.01.14	8,906	8,883,492	100.3p	0.83%
C-Class Income Shares				
31.01.13	1	1,000	103.9p	0.83%
31.01.14	1	1,000	98.63p	0.83%

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

The Ongoing charges takes into account the ACD fee, the fixed expenses and any expenses paid to an affiliate in respect of stocklending activities, expressed as a percentage of the average daily net asset values over the period.

Portfolio statement

As at 31 January 2014

Investment	Holding	Market value £'000	Total net assets %	Investment	Holding	Market value £'000	Total net assets %
Corporate bonds - 38.4% (39.9%)							
US Dollar - 23.3%							
Actavis 4.625% 2042	\$25,000	14	0.1	Microsoft 3.5% 2042	\$50,000	26	0.1
Aetna 2.75% 2022	\$50,000	28	0.1	Morgan Stanley 5.625% 2019	\$100,000	69	0.3
Altria Group 9.95% 2038	\$35,000	34	0.2	Morgan Stanley 5.5% 2021	\$25,000	17	0.1
Amazon 2.5% 2022	\$55,000	31	0.1	Morgan Stanley 6.375% 2042	\$20,000	14	0.1
America Movil 5.625% 2017	\$105,000	72	0.3	Nevada Power 5.375% 2040	\$25,000	17	0.1
American International 6.4% 2020	\$125,000	90	0.4	Newmont Mining 4.875% 2042	\$15,000	7	-
AmerisourceBergen 3.5% 2021	\$15,000	9	-	News America 6.15% 2037	\$45,000	31	0.1
Anadarko Petroleum 6.375% 2017	\$100,000	70	0.3	NiSource Finance 6.8% 2019	\$65,000	47	0.2
Anheuser-Busch InBev Worldwide 5.375% 2020	\$40,000	28	0.1	NiSource Finance 5.8% 2042	\$15,000	10	-
Anheuser-Busch InBev Worldwide 3.75% 2042	\$30,000	16	0.1	Oneok Partners 3.375% 2022	\$30,000	17	0.1
Apache 3.625% 2021	\$40,000	25	0.1	Oracle 2.5% 2022	\$25,000	14	0.1
Apple 1% 2018	\$80,000	47	0.2	Oracle 6.125% 2039	\$22,000	16	0.1
AT&T 2.95% 2016	\$135,000	86	0.4	Orange 4.125% 2021	\$35,000	22	0.1
AT&T 6.3% 2038	\$55,000	37	0.2	Pacific Gas & Electric 4.45% 2042	\$20,000	12	0.1
Baltimore Gas & Electric 2.8% 2022	\$50,000	29	0.1	PacificCorp 2.95% 2022	\$75,000	45	0.2
Bank of America 6.5% 2016	\$285,000	195	0.9	Pfizer 7.2% 2039	\$30,000	25	0.1
Bank of America 5.875% 2042	\$40,000	28	0.1	Philip Morris International 5.65% 2018	\$70,000	49	0.2
Bank of Montreal 2.375% 2019	\$60,000	37	0.2	Philip Morris International 4.375% 2041	\$25,000	14	0.1
Bank of Nova Scotia 2.55% 2017	\$50,000	32	0.2	Phillips 66 5.875% 2042	\$27,000	18	0.1
Bank of Nova Scotia 4.375% 2021	\$50,000	33	0.2	Plains All American Pipeline 5.75% 2020	\$35,000	25	0.1
Barrick North America Finance 4.4% 2021	\$95,000	57	0.3	Plains All American Pipeline 3.85% 2023	\$40,000	24	0.1
Berkshire Hathaway Finance 5.75% 2040	\$35,000	24	0.1	PPL Capital Funding 3.5% 2022	\$75,000	44	0.2
BNP Paribas 3.25% 2023	\$90,000	52	0.2	Principal Financial Group 8.875% 2019	\$40,000	31	0.1
Boston Properties 3.85% 2023	\$55,000	33	0.2	Prudential Financial 7.375% 2019	\$105,000	79	0.4
BP Capital Markets 3.245% 2022	\$55,000	33	0.2	Prudential Financial 5.8% 2041	\$15,000	10	-
British Telecommunications 9.875% FRN 2030	\$15,000	14	0.1	Rabobank 3.375% 2017	\$150,000	97	0.5
Burlington Northern Santa Fe 5.65% 2017	\$65,000	45	0.2	Rio Tinto Finance 2.25% 2016	\$50,000	31	0.1
Burlington Northern Santa Fe 3.05% 2022	\$25,000	15	0.1	Rogers Communications 6.8% 2018	\$20,000	15	0.1
Canadian Imperial Bank of Commerce 2.35% 2015	\$89,000	56	0.3	Royal Bank of Canada 2.2% 2018	\$60,000	37	0.2
Canadian Natural Resources 5.7% 2017	\$65,000	45	0.2	Sempra Energy 2.875% 2022	\$45,000	26	0.1
Capital One Financial 3.15% 2016	\$110,000	70	0.3	Shell International Finance 2.375% 2022	\$75,000	42	0.2
Caterpillar 5.2% 2041	\$15,000	10	-	Simon Property Group 2.75% 2023	\$25,000	14	0.1
Cenovus Energy 3.8% 2023	\$65,000	39	0.2	Southern Power Companies 5.15% 2041	\$35,000	22	0.1
Cigna 5.375% 2042	\$15,000	10	-	Suncor Energy 6.5% 2038	\$40,000	29	0.1
Cisco Systems 5.5% 2040	\$35,000	23	0.1	Teva Pharmaceutical Finance 2.4% 2016	\$125,000	79	0.4
Citigroup 4.45% 2017	\$75,000	49	0.2	Time Warner 6.2% 2040	\$50,000	35	0.2
Citigroup 8.5% 2019	\$180,000	141	0.7	Time Warner Cable 5.5% 2041	\$35,000	18	0.1
Comcast 6.55% 2039	\$73,000	54	0.3	TOTAL Capital S.A 4.125% 2021	\$55,000	36	0.2
ConAgra Foods 4.65% 2043	\$34,000	20	0.1	TOTAL Capital S.A 2.875% 2022	\$40,000	24	0.1
ConocoPhillips 6.5% 2039	\$18,000	14	0.1	Toyota Motor Credit 0.875% 2015	\$50,000	31	0.1
Credit Suisse New York 5.3% 2019	\$100,000	69	0.3	Transocean 3.8% 2022	\$36,000	21	0.1
CSX 4.1% 2044	\$40,000	22	0.1	UBS (Stamford Branch) 5.875% 2017	\$100,000	70	0.3
CVS Caremark 5.75% 2041	\$35,000	24	0.1	United Health Group 5.7% 2040	\$35,000	24	0.1
DCP Midstream Partners 3.875% 2023	\$35,000	20	0.1	United Technologies 4.5% 2042	\$30,000	18	0.1
Deere & Co 3.9% 2042	\$20,000	11	0.1	Vale Overseas 5.625% 2019	\$75,000	50	0.2
Devon Energy 3.25% 2022	\$50,000	29	0.1	Ventas Realty 4.25% 2022	\$65,000	40	0.2
DirectTV Holdings 5% 2021	\$80,000	52	0.2	Verizon Communications 5.15% 2023	\$110,000	72	0.3
DirectTV Holdings 3.8% 2022	\$32,000	19	0.1	Verizon Communications 7.35% 2039	\$40,000	31	0.1
Dominion Resources 4.45% 2021	\$95,000	62	0.3	Viacom 4.25% 2023	\$35,000	22	0.1
DTE Energy 6.375% 2033	\$30,000	21	0.1	Wal-Mart Stores 6.2% 2038	\$75,000	57	0.3
Duke Energy 3.05% 2022	\$100,000	59	0.3	Waste Management 2.6% 2016	\$60,000	38	0.2
Enbridge 4% 2023	\$50,000	31	0.1	Wellpoint 5.8% 2040	\$20,000	13	0.1
Energy Transfer Partners 6.5% 2042	\$35,000	23	0.1	Wellpoint 4.625% 2042	\$35,000	20	0.1
Enterprise Products 6.125% 2039	\$50,000	35	0.2	Wells Fargo 3.5% 2022	\$110,000	67	0.3
EOG Resources 2.625% 2023	\$70,000	40	0.2	Wells Fargo FRN 2016	\$145,000	94	0.4
Express Scripts 4.75% 2021	\$50,000	33	0.2	WPP Finance 2010 3.625% 2022	\$50,000	30	0.1
General Electric Capital 2.3% 2017	\$100,000	63	0.3	Xcel Energy 4.7% 2020	\$50,000	34	0.2
General Electric Capital 4.375% 2020	\$50,000	33	0.2	Euro - 10.8%			
General Electric Capital 5.875% 2038	\$115,000	80	0.4	ABN Amro Bank 3.625% 2017	€ 50,000	45	0.2
Gilead Sciences 4.5% 2021	\$50,000	33	0.2	Arkema 4% 2017	€ 50,000	45	0.2
GlaxoSmithKline Capital 5.65% 2018	\$20,000	14	0.1	Atlantia 4.5% 2019	€ 100,000	92	0.5
GlaxoSmithKline Capital 2.85% 2022	\$45,000	26	0.1	Barclays Bank 4% 2017	€ 50,000	45	0.2
Goldman Sachs Group 3.625% 2023	\$80,000	47	0.2	BAT International Finance 5.375% 2017	€ 50,000	47	0.2
Goldman Sachs Group 6.25% 2041	\$60,000	43	0.2	BHP Billiton Finance 6.375% 2016	€ 50,000	46	0.2
Hartford Financial Services Group 5.125% 2022	\$60,000	40	0.2	BMW Finance 3.25% 2019	€ 50,000	45	0.2
HCP 5.375% 2021	\$45,000	30	0.1	BPCE 3.75% 2017	€ 100,000	89	0.5
Home Depot 2.25% 2018	\$50,000	31	0.1	Casino Guichard-Perrachon 4.481% 2018	€ 50,000	46	0.2
International Paper 6% 2041	\$20,000	14	0.1	Commonwealth Bank of Australia 4.375% 2020	€ 50,000	47	0.2
Kinder Morgan Energy Partners 3.45% 2023	\$35,000	20	0.1	Credit Suisse (London Branch) 3.875% 2017	€ 50,000	45	0.2
Kinder Morgan Energy Partners 6.375% 2041	\$30,000	20	0.1	Daimler 2% 2020	€ 50,000	42	0.2
Kroger 5.15% 2043	\$35,000	22	0.1	Deutsche Telekom International Finance 2.125% 2021	€ 60,000	50	0.2
Liberty Property Trust 4.4% 2024	\$30,000	18	0.1	DNB 3.875% 2020	€ 50,000	46	0.2
Lloyds TSB Bank 6.375% 2021	\$50,000	37	0.2	E.ON International Finance 5.5% 2016	€ 100,000	90	0.5
Macy's 5.9% 2016	\$21,000	14	0.1	Enel Finance International 5.0% 2022	€ 60,000	56	0.3
Macy's 4.3% 2043	\$38,000	21	0.1	ENI 3.25% 2018	€ 50,000	45	0.2
Marathon Petroleum 6.5% 2041	\$18,000	13	0.1	FCE Bank 1.75% 2018	€ 100,000	83	0.4
Metlife 6.75% 2016	\$150,000	103	0.5	GDF Suez 2.625% 2022	€ 55,000	47	0.2
Metlife 4.125% 2042	\$15,000	8	-	Goldman Sachs Group 5.125% 2019	€ 50,000	48	0.2
				Hammerson 2.75% 2019	€ 100,000	86	0.4

Portfolio statement – continued

As at 31 January 2014

Investment	Holding	Market value £'000	Total net assets %	Investment	Holding	Market value £'000	Total net assets %
Kubota	3,000	28	0.1	Phosagro GDR	235	1	-
Maruha Nichiro Holdings	1,000	1	-	Rosneft GDR	554	2	-
Mitsubishi Estate	7,000	106	0.6	Surgutneftegaz ADR	497	2	-
Mitsui Fudosan	7,000	137	0.7	Uralkali GDR	1,006	15	0.1
Nichirei	1,000	3	-	Finland – 0.3%			
Nippon Flour Mills	1,000	3	-	Stora Enso 'R'	2,072	12	0.1
Nippon Meat Packers	1,000	10	-	Technopolis	4,204	16	0.1
Nippon Steel & Sumitomo Metal	17,000	32	0.2	UPM-Kymmene	1,916	18	0.1
Nippon Suisan Kaisha	800	1	-	Brazil – 0.2%			
OJI Paper	4,000	12	0.1	Brasil Foods ADR	1,914	21	0.1
ORIX JREIT	18	14	0.1	Fibria Celulose ADR	837	6	-
Australia – 1.4%				Gerdau ADR Preference	1,628	7	-
Amcor	4,605	26	0.1	Petroleo Brasileiro ADS	997	7	-
BHP Billiton	4,244	82	0.5	Vale ADR	2,423	20	0.1
Dexus Property Group Stapled Units	58,782	31	0.1	Netherlands – 0.1%			
Fortescue Metals Group	3,036	9	-	Nutreco	209	6	-
Goodman Group Stapled Units	14,682	36	0.2	VastNed Retail	919	27	0.1
GrainCorp 'A'	677	3	-	Norway – 0.1%			
Mirvac Group Stapled Units	39,410	35	0.2	Marine Harvest	939	7	-
Newcrest Mining	1,323	7	-	Salmar	154	1	-
Nufarm	517	1	-	Statoil	635	9	-
Orora	4,605	3	-	Yara International	528	13	0.1
Rio Tinto	800	28	0.1	South Korea – 0.1%			
Westfield Group Stapled Units	9,559	52	0.2	CJ Cheiljedang	25	4	-
Woodside Petroleum	380	7	-	POSCO ADR	609	25	0.1
Canada – 1.2%				Italy – 0.1%			
Agrium	429	23	0.1	ENI	1,610	22	0.1
Allied Properties Real Estate Investment Trust	1,100	19	0.1	Luxembourg – 0.1%			
Barrick Gold	1,814	21	0.1	ArcelorMittal	1,731	17	0.1
Canadian Natural Resources	658	13	0.1	China – 0.0%			
Canadian Real Estate Investment Trust	1,300	30	0.1	China BlueChemical 'H'	6,000	2	-
First Capital Realty	1,626	15	0.1	China Yurun Food Group	4,000	1	-
First Quantum Minerals	1,107	12	0.1	CNOOC	10,000	10	-
Goldcorp	1,479	22	0.1	First Tractor 'H'	2,000	1	-
Imperial Oil	152	4	-	Petrochina 'H'	14,000	8	-
Kinross Gold	1,798	5	-	Belgium – 0.0%			
Maple Leaf Foods	222	2	-	WDP	221	10	-
Potash Corporation of Saskatchewan	2,554	48	0.2	South Africa – 0.0%			
Silver Wheaton	642	8	-	Sasol ADR	313	9	-
Suncor Energy	926	18	0.1	Israel – 0.0%			
Teck Resources 'B'	872	13	0.1	ICL Israel Chemicals	1,267	6	-
Yamana Gold	1,352	8	-	Israel Corporation	8	2	-
France – 0.9%				Spain – 0.0%			
ICADE	425	23	0.1	Repsol	535	8	-
TOTAL S.A.	1,403	48	0.2	India – 0.0%			
Unibail-Rodamco	686	100	0.6	Reliance Industries GDR	423	7	-
Vilmorin	15	1	-	Ireland – 0.0%			
Hong Kong – 0.6%				Glanbia	512	5	-
China Agri-Industries Holdings	7,000	2	-	Chile – 0.0%			
Hong Kong Land	6,000	22	0.1	Sociedad Quimica Y Minera de Chile ADR	279	4	-
Link Real Estate Investment Trust	7,500	21	0.1	Colombia – 0.0%			
New World Development	20,000	15	0.1	Ecopetrol ADR	126	3	-
Sinofer Holdings	6,000	1	-	Sweden – 0.0%			
Sun Hung Kai Properties	4,000	30	0.1	AarhusKarlshamn	72	3	-
Wharf	11,000	45	0.2	Mexico – 0.0%			
Singapore – 0.4%				Fresnillo	315	2	-
CapitaLand	17,000	22	0.1	Denmark – 0.0%			
CapitaMalls Asia	40,000	33	0.2	Auriga Industries 'B'	44	1	-
First Resources	1,000	1	-	Forward currency contracts – 0.1% ((0.9%))			
Global Logistic Properties	20,000	27	0.1	Euro			
Golden Agri-Resources	20,000	5	-	Sell €2,807,897 buy €2,333,339 dated 19/02/14	22	0.1	
Indofood Agri Resources	1,000	-	-	US Dollar			
Wilmar International	7,000	10	-	Buy \$22,529 sell £13,683 dated 19/02/14	-	-	
Germany – 0.3%				Buy \$27,430 sell £16,758 dated 19/02/14	-	-	
Alstria Office Real Estate Investment Trust	2,639	21	0.1	Sell \$34,245 buy £20,661 dated 19/02/14	-	-	
K&S	510	9	-	Sell \$8,294,070 buy £5,043,997 dated 19/02/14	4	-	
LEG Immobilien	719	26	0.1				
Suedzucker	228	3	-				
ThyssenKrupp	702	11	0.1				
Switzerland – 0.3%							
Barry Callebaut	6	4	-				
Bucher Industries	20	4	-				
Syngenta	276	59	0.3				
Russia – 0.3%							
Gazprom ADR	3,709	18	0.1				
Lukoil ADR	324	11	0.1				
MMC Norilsk Nickel ADR	1,124	10	-				
Novolipetsk Iron and Steel GDS	105	1	-				

Portfolio statement – continued

As at 31 January 2014

Investment	Holding	Market value £'000	Total net assets %
Swaps - 0.1% (0.4%)			
Commodity Total Return Swaps 24 Feb 2014	2,389,926	24	0.1
Inflation Swaps UK RPI 10 May 2017	(2,000,000)	(11)	(0.1)
Inflation Swaps UK RPI 22 Oct 2017	(1,000,000)	20	0.1
Inflation Swaps UK RPI 28 Feb 2023	(300,000)	(5)	-
Investment assets (including investment liabilities)		17,938	84.5
Net other assets		3,282	15.5
Net assets		21,220	100.0

Unless otherwise stated the above securities are admitted to official stock exchange listings or trade on a regulated market.

The comparative percentage figures in brackets are at 31 January 2013.

Portfolio credit ratings	Market value £'000
AAA	26
AA+	4,043
AA	148
AA-	587
A+	833
A	1,267
A-	2,013
BBB+	1,106
BBB	1,530
BBB-	400
Total bonds	11,953
Equities	5,931
Forward currency contracts	26
Swaps	28
Investment assets (including investment liabilities)	17,938

Counterparty exposure

Counterparty	Commodity Total return swaps £'000	Inflation swaps £'000	Forward currency contracts £'000	Total £'000
BNP Paribas	-	20	-	20
CitiBank	-	-	0	0
Deutsche Bank	-	-	0	0
HSBC	-	-	21	21
Merrill Lynch	-	-	1	1
Morgan Stanley	-	-	0	0
Societe Generale	-	-	0	0
UBS	24	-	4	28

At the balance sheet date, there was no collateral received by the fund from the above counterparties.

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.

Portfolio movements

For the year ending 31 January 2014

	£'000		£'000
Total of all purchases for the year (Note 10)	9,465	Total of all sales for the year (Note 10)	7,467
Major purchases	Cost	Major sales	Proceeds
Ishares Global Infrastructure	1,268	JPM Sterling Liquidity 'X' (Distribution)^	700
JPM Sterling Liquidity 'X' (Distribution)^	700	JPM Global Infrastructure Trends 'X' GBP (Distribution)^	648
Ishares Emerging Market Infrastructure	386	JPM Emerging Markets Infrastructure Equity 'X' GBP (Distribution)^	392
Citigroup 8.5% 2019	101	Treasury 1.875% Index-Linked 2022	281
BHP Billiton	100	Treasury 2.5% Index-Linked 2013	192
ExxonMobil	94	Citigroup 5.5% 2014	161
Nordea Bank 3.25% 2022	93	Wells Fargo FRN 2016	112
Atlantia 4.5% 2019	92	Autoroutes Paris 5% 2017	96
ING Groep 3.875% 2016	92	Deutsche Telekom 4.75% 2016	92
Santander International 4.625% Debt 2016	90	Royal Bank of Scotland 4.75% 2016	91
Skandinaviska Enskilda Banken 4% 2022	88	SES Global America 4.875% 2014	89
FCE Bank 1.75% 2018	83	FCE Bank 4.75% 2015	88
AvalonBay Communities	73	Imperial Tobacco Finance 7.25% 2014	86
Verizon Communications 5.15% 2023	73	Skandinaviska Enskilda Banken 2.5% 2015	86
Extra Space Storage	73	Express Scripts 3.125% 2016	86
Treasury 0.125% Index-Linked 2024	71	Nationwide Building Society 3.75% 2015	82
General Growth Properties	70	Kraft Foods 5.375% 2020	78
Glencore Xstrata	69	Enel 4.75% 2018	75
Wells Fargo 3.5% 2022	69	Nordea Bank 3.75% 2017	71
Chevron	69	Rio Tinto	69

^ Deemed to be investment in related parties of the ACD

Financial statements

Statement of total return

For the year ending 31 January

	£'000	2014 £'000	£'000	2013 £'000
Income				
Net capital (losses)/gains (Note 1)		(1,096)		655
Revenue (Note 2)	472		255	
Expenses (Note 3)	(247)		(147)	
Net revenue before taxation	225		108	
Taxation (Note 4)	(32)		(18)	
Net revenue after taxation		193		90
Total return before distributions		(903)		745
Finance costs: Distributions (Note 5)		(192)		(89)
Change in net assets attributable to shareholders from investment activities		(1,095)		656

Statement of change in net assets attributable to shareholders

For the year ending 31 January

	£'000	2014 £'000	£'000	2013 £'000
Opening net assets attributable to shareholders		19,811		-
Amounts receivable on issue of shares	2,753		19,107	
Amounts payable on cancellation of shares	(399)		(30)	
		2,354		19,077
Change in net assets attributable to shareholders from investment activities (see above)		(1,095)		656
Retained distributions on accumulation shares		150		78
Closing net assets attributable to shareholders		21,220		19,811

Balance sheet

As at 31 January

	£'000	2014 £'000	£'000	2013 £'000
ASSETS				
Investment assets		17,954		17,177
Debtors (Note 7)	151		211	
Cash and bank balances (Note 8)	3,293		2,720	
Total other assets		3,444		2,931
Total assets		21,398		20,108
LIABILITIES				
Investment liabilities		(16)		(225)
Creditors (Note 9)	(136)		(47)	
Distribution payable on income shares	(26)		(25)	
Total other liabilities		(162)		(72)
Total liabilities		(178)		(297)
Net assets attributable to shareholders		21,220		19,811

The notes to these financial statements are shown on pages 45 to 47.

Notes to the financial statements for the year ending 31 January 2014

1. Net capital (losses)/gains

	2014	2013
	£'000	£'000
Currency (losses)/gains	(86)	21
Derivative contracts	(297)	49
Forward currency contracts	397	(251)
Non-derivative securities	(1,110)	836
Net capital (losses)/gains	<u>(1,096)</u>	<u>655</u>

2. Revenue

	2014	2013
	£'000	£'000
Distributions from overseas investments	33	5
Franked income from UK equity investments	6	5
Income from Liquidity funds	1	1
Income from overseas equity investments	102	42
Interest on bank and term deposits	-	7
Interest on fixed-interest securities	324	193
Management fee rebates	2	-
Property income distributions	4	2
Total revenue	<u>472</u>	<u>255</u>

3. Expenses

	2014	2013
	£'000	£'000
Payable to the ACD or associate of the ACD:		
ACD fee	210	127
Fixed expenses	37	20
Total expenses	<u>247</u>	<u>147</u>

4. Taxation

	2014	2013
	£'000	£'000
a) Analysis of charge in the year		
Corporation tax at 20%	26	15
Double tax relief	(5)	(2)
Overseas tax suffered	11	5
Current year tax charge (Note 4b)	<u>32</u>	<u>18</u>

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	225	108
Corporation tax at 20%	<u>45</u>	<u>22</u>
Effects of:		
Dividends not subject to corporation tax	(19)	(7)
Double tax relief	(5)	(2)
Overseas tax suffered	11	5
	<u>(13)</u>	<u>(4)</u>
Current year tax charge (Note 4a)	<u>32</u>	<u>18</u>

5. Finance costs

Distributions

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

	2014	2013
	£'000	£'000
Interim dividend distribution	95	20
Final dividend distribution	104	92
Add: Amounts payable on cancellation of shares	1	-
Deduct: Amounts receivable on issue of shares	(8)	(23)
Total finance costs	<u>192</u>	<u>89</u>

Details of the distribution per share are set out on page 48.

6. Movement between net revenue after taxation and distributions

	2014	2013
	£'000	£'000
Net revenue after taxation	193	90
Add: Undistributed revenue brought forward	1	-
Deduct: Undistributed revenue carried forward	(2)	(1)
	<u>192</u>	<u>89</u>

7. Debtors

	2014	2013
	£'000	£'000
Accrued income	137	130
Due from the ACD for shares created	-	60
Overseas tax recoverable	2	2
Sales awaiting settlement	12	19
Total debtors	<u>151</u>	<u>211</u>

8. Cash and bank balances

	2014	2013
	£'000	£'000
Cash and bank balances	<u>3,293</u>	<u>2,720</u>

9. Creditors

	2014	2013
	£'000	£'000
Accrued expenses	21	20
Corporation tax payable	21	13
Due to the ACD for shares cancelled	68	-
Purchases awaiting settlement	26	14
Total creditors	<u>136</u>	<u>47</u>

Notes to the financial statements – continued

10. Portfolio transaction costs

	2014 £'000	2013 £'000
Analysis of total purchase costs		
Purchases in year before transaction costs	9,460	20,823
Commissions	3	3
Taxes	2	3
Total purchase costs	5	6
Gross purchases total	9,465	20,829
Analysis of total sale costs		
Gross sales before transaction costs	7,469	4,566
Commissions	(2)	(1)
Total sale costs	(2)	(1)
Total sales net of transaction costs	7,467	4,565

11. 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 £89,485 (31.01.13: £40,077). Details of related party transactions are given under note 13 on page 413.

Investments considered to be related parties have been identified in the portfolio statement on pages 39 to 42 and the revenue from these investments was £9,368 (31.01.13: £6,242).

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 £79 (31.01.13: £30). 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:

- JPMorgan Investments Limited 57.51% (31.01.13: 0.00%)
- Cofunds Nominees Ltd 48.68% (31.01.13: 8.56%)

12. 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.

Currency	Net foreign currency assets/(liabilities)		
	Total £'000	Monetary exposures £'000	Non-monetary exposures £'000
31.01.14			
US Dollar	7,212	138	7,074
Euro	2,740	73	2,667
Japanese Yen	464	(10)	474
Australian Dollar	322	3	319
Canadian Dollar	241	1	240
Hong Kong Dollar	136	1	135
Singapore Dollar	111	12	99
Swiss Franc	67	-	67
Norwegian Krone	31	1	30
Israeli New Shekels	9	-	9
Korean Won	4	-	4
Swedish Krona	3	-	3
Danish Krone	1	-	1
31.01.13			
US Dollar	6,265	(7)	6,272
Canadian Dollar	486	2	484
Australian Dollar	337	13	324
Hong Kong Dollar	269	-	269
Japanese Yen	224	1	223
Singapore Dollar	134	1	133
Swiss Franc	63	-	63
Swedish Krona	50	2	48
Norwegian Krone	46	5	41
South African Rand	11	2	9
Brazilian Real	7	-	7

Notes to the financial statements – continued

Interest rate risk

The tables below detail the interest rate profile of the Fund's assets and liabilities as at the year end.

Currency	Total assets £'000	Floating rate financial assets £'000	Fixed rate financial assets £'000	Financial assets not carrying any interest £'000
31.01.14				
UK Sterling	10,015	3,201	4,722	2,092
US Dollar	7,212	160	4,855	2,197
Euro	2,746	14	2,285	447
Japanese Yen	484	10	-	474
Australian Dollar	322	-	-	322
Canadian Dollar	241	1	-	240
Hong Kong Dollar	136	-	-	136
Singapore Dollar	111	-	-	111
Swiss Franc	67	-	-	67
Norwegian Krone	31	1	-	30
Israeli New Shekels	9	-	-	9
Korean Won	4	-	-	4
Swedish Krona	3	-	-	3
Danish Krone	1	-	-	1
31.01.13				
UK Sterling	9,279	2,669	4,949	1,661
US Dollar	6,277	250	4,437	1,590
Euro	2,698	12	2,501	185
Canadian Dollar	487	2	-	485
Australian Dollar	337	11	-	326
Hong Kong Dollar	269	-	-	269
Japanese Yen	224	-	-	224
Singapore Dollar	134	-	-	134
Swiss Franc	63	-	-	63
Swedish Krona	50	2	-	48
Norwegian Krone	47	2	-	45
South African Rand	11	2	-	9
Brazilian Real	7	-	-	7

The floating rate financial assets are bank balances that bear interest at rates based on LIBOR or its overseas equivalent.

Currency	Total liabilities £'000	Floating rate financial liabilities £'000	Financial liabilities not carrying any interest £'000
31.01.14			
UK Sterling	136	-	136
Japanese Yen	20	-	20
Euro	6	-	6
31.01.13			
UK Sterling	58	-	58
US Dollar	12	-	12
Canadian Dollar	1	-	1
Norwegian Krone	1	-	1

13. 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 fixed expenses charge are shown below.

	ACD fee	Fixed expenses
Class A shares:	1.25%	0.18%
Class B shares:	0.80%	0.18%
Class C shares:	0.65%	0.18%

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 38. All classes have the same rights on winding up.

14. Derivatives

The Fund enters into derivative transactions in the form of forward currency contracts and swaps. The Fund may use derivatives for investment purposes or efficient portfolio management including hedging, where appropriate.

The Investment Adviser assesses the market risk of the Fund's investments, including derivative exposure, using Monte Carlo 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 & 500 days of history. As at the balance date the VaR was 2.45%.

The effective observation period changed to 500 days from 31/10/2012 onwards due to a change to a new VaR calculation process.

Further information on the derivative risks can be found in the notes to the aggregated financial statements on page 414.

15. Contingent liabilities and capital commitments

At the balance sheet date there were no contingent liabilities or capital commitments (2013: none).

Distribution tables

Final distribution in pence per share

Group 1 – Shares purchased prior to 1 August 2013

Group 2 – Shares purchased 1 August 2013 to 31 January 2014

	Gross revenue	Tax at 10%	Net revenue	Equalisation	Distribution payable 30.04.14	Distribution paid 30.04.13
A-Class Accumulation Shares						
Group 1	0.233333	0.023333	0.210000	-	0.210000	0.200000
Group 2	0.167439	0.016744	0.150695	0.059305	0.210000	0.200000
A-Class Income Shares						
Group 1	0.233333	0.023333	0.210000	-	0.210000	0.200000
Group 2	0.202506	0.020251	0.182255	0.027745	0.210000	0.200000
B-Class Accumulation Shares						
Group 1	0.288889	0.028889	0.260000	-	0.260000	0.230000
Group 2	0.288889	0.028889	0.260000	0.000000	0.260000	0.230000
C-Class Accumulation Shares						
Group 1	0.655556	0.065556	0.590000	-	0.590000	0.650000
Group 2	0.327338	0.032734	0.294604	0.295396	0.590000	0.650000
C-Class Income Shares						
Group 1	0.700000	0.070000	0.630000	-	0.630000	0.570000
Group 2	0.700000	0.070000	0.630000	0.000000	0.630000	0.570000

Interim distribution in pence per share

Group 1 – Shares purchased prior to 1 February 2013

Group 2 – Shares purchased 1 February 2013 to 31 July 2013

	Gross revenue	Tax at 10%	Net revenue	Equalisation	Distribution paid 31.10.13	Distribution paid 31.10.12
A-Class Accumulation Shares						
Group 1	0.211111	0.021111	0.190000	-	0.190000	0.080000
Group 2	0.120349	0.012035	0.108314	0.081686	0.190000	0.080000
A-Class Income Shares						
Group 1	0.211111	0.021111	0.190000	-	0.190000	0.080000
Group 2	0.163078	0.016308	0.146770	0.043230	0.190000	0.080000
B-Class Accumulation Shares						
Group 1	0.288889	0.028889	0.260000	-	0.260000	-
Group 2	0.288889	0.028889	0.260000	0.000000	0.260000	-
C-Class Accumulation Shares						
Group 1	0.677778	0.067778	0.610000	-	0.610000	-
Group 2	0.639899	0.063990	0.575909	0.034091	0.610000	-
C-Class Income Shares						
Group 1	0.544444	0.054444	0.490000	-	0.490000	-
Group 2	0.544444	0.054444	0.490000	0.000000	0.490000	-

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

Investment objective and policy^A

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.

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

Risk profile

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

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

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

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

2013 was a challenging year for emerging market equities, which delivered their worst performance relative to developed markets since the Asian financial and Russian current account deficit crises. Growth concerns combined with earnings disappointment weighed on the asset class, while political noise in Brazil, Turkey and Egypt added to the negative headlines. The Federal Reserve's tapering comments in May impacted countries running current account deficits and their currencies took much of the hit.

The Fund underperformed its benchmark in the review period, driven by exposure to current account deficit countries (and their currencies) and stock selection in China. South African stocks detracted, in part due to currency weakness and concerns over the consumer credit cycle. In China, we were hurt by not owning the Chinese instant messaging and e-commerce leader, Tencent. In a growth-starved world, investors chased growth and consequently companies with links to e-commerce performed strongly. We lost performance in Indonesia and Brazil through asset allocation, but stock selection in these markets resulted in a positive impact overall. Our investment ideas in Taiwan, Russia, Brazil and India were among the most significant contributors. Being underweight commodity cyclicals contributed positively, as did stock selection in energy.

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>

On 31/08/13 JPM Emerging Markets Infrastructure Fund was merged into this Fund.

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

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

Source: J.P. Morgan.

^A On 02/08/10 the investment objective policy of the Fund was changed.

Benchmark Source: MSCI. Neither MSCI nor any other party involved in or related to compiling, computing or creating the MSCI data makes any express or 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 outlook

We have long argued that a resumption of sustained emerging market outperformance requires a recovery in the emerging market earnings picture, which, to this point, remains elusive. Currency weakness and central bank tightening measures have not helped, dampening expectations for profits. However, recent price declines and an acceleration in outflows suggest a point of capitulation may be near. The double-digit decline in the MSCI Emerging Markets Index over the past three months suggests that long-term investors might well consider stepping in at these levels.

12 month performance as at 31 January

	2014	2013	2012	2011	2010
JPM Emerging Markets A-Class Acc	-16.2%	6.1%	-2.7%	19.5%	51.4%
JPM Emerging Markets B-Class Acc	-15.7%	6.6%	-2.1%	20.1%	52.1%
JPM Emerging Markets I-Class Acc	-15.6%	6.8%	-2.0%	20.3%	52.5%
Benchmark Index	-13.3%	7.1%	-5.2%	22.5%	62.1%

Fund statistics

Risk and Reward Profile	6*
Fund size	£1,085.9m
Benchmark Index	MSCI Emerging Markets Index (Net)
Fund charges	
A-Class	Initial 3.00%, Annual 1.50%
B-Class	Initial Nil, Annual 1.00%
I-Class	Initial Nil, Annual 1.00%

Top ten holdings (excluding Liquidity funds) %

Taiwan Semiconductor Manufacturing	4.5
Samsung Electronics	4.4
Housing Development Finance	3.8
Aia Group	2.9
Tata Consultancy Services	2.9
Hyundai Motor	2.8
China Mobile	2.6
Delta Electronics	2.6
Infosys Technologies	2.6
Ambev ADR	2.4

Geographical breakdown %

India	16.8
South Africa	13.5
Brazil	12.6
China	11.5
Hong Kong	9.3
South Korea	8.4
Taiwan	8.3
Russia	4.1
Indonesia	3.6
Mexico	2.6
Argentina	2.3
Liquidity funds	2.2
Malaysia	1.6
Turkey	1.5
Thailand	1.3
Chile	0.7
Net other liabilities	(0.3)

Highest/lowest share price and distribution record

Calendar year	Highest share price	Lowest share price	Distribution per share (net)
A-Class Accumulation Shares			
2009	136.3p	76.63p	0.78p
2010	166.5p	127.1p	0.37p
2011	168.0p	123.6p	0.10p
2012	156.0p	134.1p	0.63p
2013	169.0p	138.9p	0.67p
2014 ^b	142.3p	132.2p	0.90p
A-Class Income Shares			
2009	60.17p	33.85p	0.35p
2010	73.25p	56.09p	0.19p
2011	73.88p	54.32p	0.04p
2012	68.29p	58.72p	0.28p
2013	73.63p	60.56p	0.30p
2014 ^b	62.03p	57.62p	0.39p
B-Class Accumulation Shares			
2009	179.4p	100.4p	0.21p
2010	220.3p	167.3p	1.25p
2011	222.2p	164.1p	1.16p
2012	207.7p	178.7p	1.87p
2013	226.0p	186.3p	1.91p
2014 ^b	191.2p	177.6p	2.21p
B-Class Income Shares^c			
2010	103.9p	100.3p	-
2011	104.8p	77.39p	0.00p
2012	97.04p	83.48p	0.88p
2013	104.6p	86.24p	0.86p
2014 ^b	88.49p	82.23p	1.03p
I-Class Accumulation Shares			
2009	507.7p	283.6p	5.15p
2010	624.4p	473.6p	4.17p
2011	629.9p	465.7p	4.14p
2012	589.9p	507.8p	6.12p
2013	643.0p	530.3p	6.30p
2014 ^b	544.5p	506.0p	7.25p
I-Class Income Shares^d			
2013	101.2p	91.35p	-
2014 ^b	92.43p	85.90p	0.17p

^a To 31 January 2014.

^b B-Class Income Shares were launched on 14 December 2010.

^c I-Class Income Shares were launched on 30 August 2013.

Portfolio turnover rate

31.01.13	46.8%
31.01.14	11.9%

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

Portfolio transaction costs

	Broker Commissions	Transaction Taxes	Total
31.01.13	0.06%	0.04%	0.10%
31.01.14	0.05%	0.04%	0.09%

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

Stamp duty reserve tax

31.01.13	0.00%
31.01.14	0.00%

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

Net asset values and Ongoing charges

Date	Net asset value per share class £'000	Number of shares	Net asset value per share	Ongoing charges
A-Class Accumulation Shares				
31.01.12	520,947	350,384,991	148.7p	1.68%
31.01.13	588,384	373,191,891	157.7p	1.68%
31.01.14	582,014	440,432,942	132.2p	1.68%
A-Class Income Shares				
31.01.12	9,549	14,672,764	65.08p	1.68%
31.01.13	13,973	20,335,863	68.71p	1.68%
31.01.14	18,019	31,497,625	57.21p	1.68%
B-Class Accumulation Shares				
31.01.12	18,971	9,592,054	197.8p	1.15%
31.01.13	10,512	4,986,393	210.8p	1.18%
31.01.14	80,637	45,409,318	177.6p	1.18%
B-Class Income Shares				
31.01.12	33,304	36,041,826	92.40p	1.15%
31.01.13	1,755	1,798,033	97.59p	1.18%
31.01.14	12,187	15,014,017	81.17p	1.18%
I-Class Accumulation Shares				
31.01.12	452,272	80,537,340	561.6p	1.00%
31.01.13	525,356	87,625,578	599.6p	1.00%
31.01.14	392,978	77,685,895	505.9p	1.00%
I-Class Income Shares				
31.01.14	39	45,355	85.70p	1.00%

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

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

Portfolio statement

As at 31 January 2014

Investment	Holding	Market value £'000	Total net assets %
India - 16.8% (12.1%)			
ACC	870,597	8,559	0.8
Ambuja Cements	3,123,450	4,842	0.5
Asian Paints	1,123,980	5,154	0.5
HDFC Bank ADR	688,796	13,161	1.2
Housing Development Finance	5,291,058	41,336	3.8
Infosys Technologies	291,270	10,427	1.0
Infosys Technologies ADR	474,270	17,075	1.6
ITC	5,911,381	18,627	1.7
Kotak Mahindra Bank	920,377	5,858	0.5
Larsen & Toubro	1,050,550	10,043	0.9
Mahindra & Mahindra	1,176,163	10,117	0.9
Mahindra & Mahindra Financial Service	2,443,622	5,742	0.5
Tata Consultancy Services	1,437,413	31,084	2.9
South Africa - 13.5% (11.0%)			
Bidvest Group	1,536,209	20,238	1.9
Capitec Bank	446,236	4,505	0.4
FirstRand	6,699,976	11,129	1.0
Imperial	377,251	3,738	0.3
Kumba Iron	415,294	9,943	0.9
Massmart	731,399	4,769	0.4
Mr.Price Group	701,089	5,147	0.5
MTN Group	2,224,426	23,333	2.2
Remgro	1,160,830	11,449	1.1
RMB	1,904,724	4,352	0.4
SABMiller	863,162	23,038	2.1
Shoprite	2,280,721	17,461	1.6
Tiger Brands	529,599	7,541	0.7
Brazil - 12.6% (15.6%)			
Ambev ADR	6,361,105	25,353	2.4
Cielo	912,034	14,473	1.3
Companhia de Concessoes Rodoviaras	3,121,181	12,095	1.1
Itau Unibanco ADR Preference	431,129	3,211	0.3
Itau Unibanco Non-Cum Preference	1,614,496	11,918	1.1
Lojas Renner	522,570	7,231	0.7
Marcopolo	611,800	768	0.1
Marcopolo Preference	2,642,632	3,403	0.3
Petrobras Brasileiro ADR Preference	2,059,207	15,201	1.4
Ultrapar Participacoes	1,199,099	15,745	1.4
Ultrapar Participacoes ADR	15,000	201	-
Vale ADR	18,327	150	-
Vale ADR Preference	2,239,999	16,767	1.6
WEG	1,455,093	9,998	0.9
China - 11.5% (9.2%)			
Baidu ADS	170,840	16,682	1.5
China Merchants Bank 'H'	7,990,650	8,566	0.8
China Mobile	4,940,000	28,603	2.6
CNOOC	23,699,000	22,586	2.1
Ping An Insurance 'H'	2,612,000	12,845	1.2
Sands China	3,329,600	15,592	1.4
Tsingtao Brewery 'H'	4,084,000	18,135	1.7
Wumart Stores 'H'	2,935,000	2,278	0.2
Hong Kong - 9.3% (11.7%)			
Aia Group	11,246,400	31,503	2.9
Hang Lung Properties	4,800,000	8,075	0.7
Jardine Matheson	562,655	18,220	1.7
Standard Chartered	1,568,465	19,441	1.8
Sun Art Retail Group	17,742,000	14,104	1.3
Tingyi	6,412,000	10,084	0.9
South Korea - 8.4% (10.2%)			
Hyundai Mobis	74,411	12,923	1.2
Hyundai Motor	226,944	29,798	2.8
Samsung Electronics	67,029	48,143	4.4
Taiwan - 8.3% (6.7%)			
Delta Electronics	8,450,000	28,080	2.6
President Chain Store	3,155,000	12,821	1.2
Taiwan Semiconductor Manufacturing	3,952,480	8,308	0.8
Taiwan Semiconductor Manufacturing ADS	3,829,255	39,876	3.7
Russia - 4.1% (3.5%)			
Magnit	40,224	5,761	0.5
Magnit GDR	619,329	19,547	1.8
Sberbank	9,052,345	14,782	1.4
Sberbank ADR	713,929	4,676	0.4

Investment	Holding	Market value £'000	Total net assets %
Indonesia - 3.6% (3.8%)			
Astra International	52,361,722	16,671	1.5
Bank Rakyat Indonesia	38,453,030	15,925	1.5
Unilever Indonesia	4,571,136	6,492	0.6
Mexico - 2.6% (3.7%)			
Grupo Financiero Banorte 'O'	2,972,343	11,735	1.1
Wal-Mart de Mexico 'V'	11,156,821	16,019	1.5
Argentina - 2.3% (2.1%)			
Tenaris ADR	921,633	25,175	2.3
Malaysia - 1.6% (1.5%)			
British American Tobacco Malaysia	531,700	5,818	0.5
Public Bank	3,286,800	11,396	1.1
Turkey - 1.5% (2.9%)			
KOC	4,249,830	8,537	0.8
Turkiye Garanti Bankasi	4,835,710	7,632	0.7
Thailand - 1.3% (1.1%)			
Siam Commercial Bank (Alien Market)	4,945,140	13,476	1.2
Siam Cement Non-Voting Depository Receipt	135,600	1,014	0.1
Chile - 0.7% (1.4%)			
Banco Santander Chile ADR	660,283	7,967	0.7
Liquidity funds - 2.2% (0.8%)			
JPM Sterling Liquidity 'X' (Distribution)^\$	24,134,562	24,135	2.2
Investment assets		1,088,603	100.3
Net other liabilities		(2,729)	(0.3)
Net assets		1,085,874	100.0

Unless otherwise stated the above securities are admitted to official stock exchange listings or trade on a regulated market.

The comparative percentage figures in brackets are at 31 January 2013.

^ Deemed to be investment in related parties of the ACD

\$ Approved security as defined in the Collective Investment Schemes sourcebook

Portfolio movements

For the year ending 31 January 2014

	£'000		£'000
Total of all purchases for the year (Note 10)	555,528	Total of all sales for the year (Note 10)	404,640
Major purchases	Cost	Major sales	Proceeds
JPM Sterling Liquidity 'X' (Distribution) [^]	229,283	JPM Sterling Liquidity 'X' (Distribution) [^]	214,620
Baidu ADS	18,029	Samsung Electronics	15,343
ITC	17,440	Cielo	11,821
Sands China	14,655	Hyundai Mobis	10,310
Remgro	14,415	Grupo Financiero Banorte 'O'	9,527
Shoprite	13,013	Anhui Conch Cement 'H'	9,523
Larsen & Toubro	12,607	Bharti Airtel	9,221
Mahindra & Mahindra	12,578	OTP Bank	8,527
Lojas Renner	12,187	Ping An Insurance 'H'	8,351
Tata Consultancy Services	11,373	Turkiye Garanti Bankasi	8,151
Sun Art Retail Group	10,368	China Merchants Bank 'H'	7,789
Magnit GDR	10,269	E-mart	6,791
Bidvest Group	10,179	New Oriental Education & Technology ADR	6,581
Samsung Electronics	9,870	Hang Lung Properties	6,309
Aia Group	9,697	Aia Group	5,952
SABMiller	8,140	Kumba Iron	5,602
Standard Chartered	7,908	Banco Santander Chile ADR	5,145
HDFC Bank ADR	7,022	African Bank Investments	4,623
MTN Group	6,830	Companhia de Bebidas das Americas ADR Preference	4,307
Asian Paints	6,663	Jindal Steel & Power	4,192

[^] Deemed to be investment in related parties of the ACD

Financial statements

Statement of total return

For the year ending 31 January

	2014	2013
£'000	£'000	£'000
Income		
Net capital (losses)/gains (Note 1)	(200,294)	58,435
Revenue (Note 2)	27,017	24,317
Expenses (Note 3)	(15,603)	(14,128)
Net revenue before taxation	11,414	10,189
Taxation (Note 4)	(2,162)	(2,150)
Net revenue after taxation	9,252	8,039
Total return before distributions	(191,042)	66,474
Finance costs: Distributions (Note 5)	(9,378)	(8,014)
Change in net assets attributable to shareholders from investment activities	(200,420)	58,460

Balance sheet

As at 31 January

	2014	2013
£'000	£'000	£'000
ASSETS		
Investment assets	1,088,603	1,137,847
Debtors (Note 7)	3,961	6,532
Cash and bank balances (Note 8)	1,737	1,762
Total other assets	5,698	8,294
Total assets	1,094,301	1,146,141
LIABILITIES		
Creditors (Note 9)	(8,149)	(6,085)
Distribution payable on income shares	(278)	(76)
Total liabilities	(8,427)	(6,161)
Net assets attributable to shareholders	1,085,874	1,139,980

The notes to these financial statements are shown on pages 55 to 56.

Statement of change in net assets attributable to shareholders

For the year ending 31 January

	2014	2013
£'000	£'000	£'000
Opening net assets attributable to shareholders	1,139,980	1,035,043
Amounts transferred from JPM Emerging Markets Infrastructure Fund	12,772	-
Amounts transferred to other funds	(7,592)	-
Amounts receivable on issue of shares	280,066	199,875
Amounts payable on cancellation of shares	(149,488)	(161,501)
	130,578	38,374
Change in net assets attributable to shareholders from investment activities (see above)	(200,420)	58,460
Retained distributions on accumulation shares	10,600	8,116
Stamp duty reserve tax	(44)	(13)
Closing net assets attributable to shareholders	1,085,874	1,139,980

Notes to the financial statements for the year ending 31 January 2014

1. Net capital (losses)/gains

	2014	2013
	£'000	£'000
Currency losses	(62)	(85)
Non-derivative securities	(200,232)	58,520
Net capital (losses)/gains	(200,294)	58,435

2. Revenue

	2014	2013
	£'000	£'000
Franked income from UK equity investments	1,212	174
Income from Liquidity funds	90	136
Income from overseas equity investments	22,820	21,408
Interest on bank and term deposits	12	4
Interest on fixed-interest securities	2,765	2,130
Stock dividends	118	465
Total revenue	27,017	24,317

3. Expenses

	2014	2013
	£'000	£'000
Payable to the ACD or associate of the ACD:		
ACD fee	14,397	13,108
Fixed expenses	1,206	1,020
Total expenses	15,603	14,128

4. Taxation

	2014	2013
	£'000	£'000
a) Analysis of charge in the year		
Overseas tax suffered	2,162	2,150
Current year tax charge (Note 4b)	2,162	2,150

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	11,414	10,189
Corporation tax at 20%	2,283	2,038

Effects of:

Dividends not subject to corporation tax	(4,732)	(4,385)
Excess expenses for which no relief taken	2,449	2,347
Overseas tax suffered	2,162	2,150
	(121)	112
Current year tax charge (Note 4a)	2,162	2,150

No deferred tax asset has been recognised in the financial statements. At the year end date, the Fund had a potential unrecognised deferred tax asset of £10,766,168 (31.01.13: £8,316,909) in relation to £53,830,841 (31.01.13: £41,584,546) 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.

5. Finance costs

Distributions

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

	2014	2013
	£'000	£'000
Final dividend distribution	10,878	8,192
Add: Amounts payable on cancellation of shares	833	900
Deduct: Amounts receivable on issue of shares	(2,333)	(1,078)
Total finance costs	9,378	8,014

Details of the distribution per share are set out on page 57.

6. Movement between net revenue after taxation and distributions

	2014	2013
	£'000	£'000
Net revenue after taxation	9,252	8,039
Add: Undistributed revenue brought forward	42	17
Deduct: Undistributed revenue carried forward	(22)	(42)
Equalisation on conversions	106	-
	9,378	8,014

7. Debtors

	2014	2013
	£'000	£'000
Accrued income	1,322	1,026
Due from the ACD for shares created	2,163	1,272
Overseas tax recoverable	220	15
Sales awaiting settlement	256	4,219
Total debtors	3,961	6,532

8. Cash and bank balances

	2014	2013
	£'000	£'000
Cash and bank balances	1,737	1,762

9. Creditors

	2014	2013
	£'000	£'000
Accrued expenses	1,347	1,307
Due to the ACD for shares cancelled	454	372
Purchases awaiting settlement	6,348	4,406
Total creditors	8,149	6,085

Notes to the financial statements – continued

10. Portfolio transaction costs

	2014 £'000	2013 £'000
Analysis of total purchase costs		
Purchases in year before transaction costs	554,790	419,465
Commissions	383	307
Taxes	355	354
Total purchase costs	738	661
Gross purchases total	555,528	420,126
Analysis of total sale costs		
Gross sales before transaction costs	405,075	374,359
Commissions	(251)	(265)
Taxes	(184)	(188)
Total sale costs	(435)	(453)
Total sales net of transaction costs	404,640	373,906

11. 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 £362,716 (31.01.13: £407,325). Details of related party transactions are given under note 13 on page 413.

Investments considered to be related parties have been identified in the portfolio statement on page 52 and the revenue from these investments was £90,517 (31.01.13: £135,590).

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 £20,362 (31.01.13: £12,930). Commission was paid to the associated company JPMorgan Securities Ltd.

During the year JPM Emerging Markets Infrastructure Fund was merged with JPM Emerging Markets Fund and all of its assets were transferred to JPM Emerging Markets Fund as discussed in statement of change in net assets attributable to shareholders.

The following parties held a material interest in the Fund at the year end date:

- JPMorgan Life Ltd 26.26% (31.01.13: 30.62%)
- Cofunds Nominees Ltd 12.98% (31.01.13: nil)

12. 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.

Currency	Net foreign currency assets/(liabilities)		
	Total £'000	Monetary exposures £'000	Non-monetary exposures £'000
31.01.14			
US Dollar	240,731	(3,074)	243,805
Hong Kong Dollar	172,371	-	172,371
Indian Rupee	150,605	(1,185)	151,790
South African Rand	123,642	36	123,606
Korean Won	91,592	728	90,864
Brazilian Real	75,809	178	75,631
Taiwan Dollar	49,889	681	49,208
Indonesian Rupiah	39,088	-	39,088
Mexican Peso	27,754	-	27,754
Malaysian Ringgit	17,469	255	17,214
Turkish Lira	15,753	(416)	16,169
Thailand Baht	13,485	(1,005)	14,490
Swedish Krona	4	4	-
31.01.13			
US Dollar	259,953	418	259,535
Hong Kong Dollar	190,747	-	190,747
South African Rand	125,050	9	125,041
Korean Won	117,602	674	116,928
Indian Rupee	113,587	(386)	113,973
Brazilian Real	92,031	270	91,761
Indonesian Rupiah	42,812	-	42,812
Mexican Peso	41,738	37	41,701
Taiwan Dollar	36,430	481	35,949
Turkish Lira	33,200	-	33,200
Malaysian Ringgit	17,105	-	17,105
Thailand Baht	12,167	-	12,167
Hungarian Forint	8,982	-	8,982

Interest rate risk

At the year end date, 2.4% (31.01.13: 1.0%) of the Fund's net assets by value were interest bearing, carrying a (fixed/floating) rate.

For consideration of other risks including liquidity, pricing and credit risk, please refer to the notes to the aggregated financial statements, pages 413 to 414.

13. Share classes

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

	ACD fee	Fixed expenses
Class A shares:	1.50%	0.18%
Class B shares:	1.00%	0.18%
Class I shares:	1.00%	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 page 51. All classes have the same rights on winding up.

14. Contingent liabilities and capital commitments

At the balance sheet date there were no contingent liabilities or capital commitments (2013: none).

Distribution table

Final distribution in pence per share

Group 1 – Shares purchased prior to 1 February 2013

Group 2 – Shares purchased 1 February 2013 to 31 January 2014

	Gross revenue	Tax at 10%	Net revenue	Equalisation	Distribution payable 30.04.14	Distribution paid 30.04.13
A-Class Accumulation Shares						
Group 1	1.000000	0.100000	0.900000	-	0.900000	0.670000
Group 2	0.005623	0.000562	0.005061	0.894939	0.900000	0.670000
A-Class Income Shares						
Group 1	0.433333	0.043333	0.390000	-	0.390000	0.300000
Group 2	0.010507	0.001051	0.009456	0.380544	0.390000	0.300000
B-Class Accumulation Shares						
Group 1	2.455556	0.245556	2.210000	-	2.210000	1.910000
Group 2	0.148298	0.014830	0.133468	2.076532	2.210000	1.910000
B-Class Income Shares						
Group 1	1.144444	0.114444	1.030000	-	1.030000	0.860000
Group 2	0.094240	0.009424	0.084816	0.945184	1.030000	0.860000
I-Class Accumulation Shares						
Group 1	8.055556	0.805556	7.250000	-	7.250000	6.300000
Group 2	1.327493	0.132749	1.194744	6.055256	7.250000	6.300000
I-Class Income Shares						
Group 1	0.188889	0.018889	0.170000	-	0.170000	-
Group 2	0.049053	0.004905	0.044148	0.125852	0.170000	-

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 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 11.14 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.

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 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

2013 was a challenging year for emerging market equities, which delivered their worst performance relative to developed markets since the Asian financial and Russian current account deficit crises. Growth concerns combined with earnings disappointment weighed on the asset class, while political noise of varying intensity in Brazil, Turkey and Egypt added to the negative headlines. The Federal Reserve's tapering comments at the end of May impacted countries running current account deficits and their currencies took much of the hit, depreciating more than 15% from their 2012 average.

The Fund underperformed its benchmark in the review period. The primary driver of returns was stock selection, as should be expected from our bottom-up, stock-picking process. In Brazil, investments across a broad range of sectors helped, while in China, casino operators performed well on new project and table announcements. We are structurally underweight Korea, which is a low yielding market with limited attractive investment opportunities for our process. However, this underweight position detracted from performance in 2013. Of the current account deficit countries that experienced foreign exchange pressures over the summer, only Turkey and South Africa detracted significantly.

Fund outlook

We have long argued that a resumption of sustained emerging market outperformance requires a recovery in the emerging market earnings picture, which, to this point, remains elusive. Multiple waves of currency weakness and central bank tightening measures in recent months have not helped, further dampening expectations for profits. However, recent price declines and an acceleration in outflows suggest that a point of capitulation may be near. The double-digit decline in the MSCI Emerging Markets Index over the past three months suggests that long-term investors might well consider stepping in at these levels.

12 month performance as at 31 January

	2014
JPM Emerging Markets Income A-Class Acc	-13.6%
JPM Emerging Markets Income B-Class Inc	-13.3%
JPM Emerging Markets Income C-Class Acc^A	-
JPM Emerging Markets Income X-Class Acc	-12.4%
Benchmark Index	-13.3%

Fund statistics

Risk and Reward Profile	6*
Fund size	£107.4m
Benchmark Index	MSCI Emerging Markets Index (Net)
Fund charges	
A-Class	Initial 3.00%, Annual 1.50%
B-Class	Initial Nil, Annual 1.00%
C-Class	Initial Nil, Annual 0.75%
X-Class	On application ^B

Top ten holdings (excluding Liquidity funds) %

Sberbank ADR	2.5
Delta Electronics	2.5
Wynn Macau	2.4
Quanta Computer	2.2
Bidvest Group	2.1
Telekomunikasi Indonesia 'B'	2.1
Siam Cement Non-Voting Depository Receipt	2.1
Advanced Info Service Public (Alien Market)	2.1
Qatar Industries	2.0
Taiwan Semiconductor Manufacturing ADS	2.0

Geographical breakdown %

Taiwan	16.9
South Africa	11.9
Brazil	10.9
China	10.9
Russia	8.7
Hong Kong	6.4
South Korea	6.2
Turkey	4.4
Thailand	4.2
Saudi Arabia	4.1
Indonesia	3.8
Qatar	2.0
India	2.0
Poland	1.7
Singapore	1.6
Liquidity funds	1.4
Mexico	1.4
UAE	1.2
Net other assets	0.3

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

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

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

Source: J.P. Morgan.

^A C-Class Accumulation Shares were launched on 28 August 2013, therefore 12 month performance to 31 January is not available.

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

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

Highest/lowest share price and distribution record

Calendar year	Highest share price	Lowest share price	Distribution per share (net)
A-Class Accumulation Shares^c			
2012	55.11p	50.26p	0.37p
2013	61.68p	52.06p	2.27p
2014 ^d	52.95p	49.56p	0.39p
A-Class Income Shares^c			
2012	54.72p	50.26p	0.37p
2013	60.41p	49.97p	2.22p
2014 ^d	50.52p	47.28p	0.38p
B-Class Accumulation Shares^e			
2012	55.17p	52.14p	0.37p
2013	61.86p	52.22p	2.27p
2014 ^d	53.27p	49.87p	0.40p
B-Class Income Shares^c			
2012	109.7p	100.6p	0.75p
2013	121.3p	100.7p	4.45p
2014 ^d	101.8p	95.28p	0.77p
C-Class Accumulation Shares^f			
2013	57.57p	52.51p	0.69p
2014 ^d	53.11p	49.73p	0.40p
C-Class Income Shares^f			
2013	55.59p	50.09p	0.67p
2014 ^d	50.66p	47.43p	0.38p
X-Class Accumulation Shares^g			
2013	108.6p	91.70p	3.79p
2014 ^d	94.13p	88.15p	0.74p

^c A-Class Accumulation Shares, A-Class Income Shares and B-Class Income Shares were launched on 24 July 2012.

^d To 31 January 2014.

^e B-Class Accumulation Shares were launched on 29 October 2012.

^f C-Class Accumulation and C-Class Income Shares were launched on 28 August 2013.

^g X-Class Accumulation Shares were launched on 29 January 2013.

Portfolio turnover rate

31.01.13	67.6%
31.01.14	(5.7)%

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

Portfolio transaction costs

	Broker Commissions	Transaction Taxes	Total
31.01.13	0.25%	0.14%	0.39%
31.01.14	0.16%	0.09%	0.25%

The percentage figures disclosed above reflect the average broker commissions and transaction taxes suffered during the last 2 years divided by the average assets under management over the same period.

Stamp duty reserve tax

31.01.13	0.00%
31.01.14	0.00%

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

Net asset values and Ongoing charges

Date	Net asset value per share class £'000	Number of shares	Net asset value per share	Ongoing charges
A-Class Accumulation Shares				
31.01.13	9,905	17,328,645	57.16p	1.68%
31.01.14	23,751	47,976,636	49.50p	1.68%
A-Class Income Shares				
31.01.13	9,273	16,384,862	56.59p	1.68%
31.01.14	4,235	9,038,422	46.85p	1.68%
B-Class Accumulation Shares				
31.01.13	1,286	2,247,066	57.24p	1.18%
31.01.14	7,801	15,661,883	49.81p	1.18%
B-Class Income Shares				
31.01.13	17,037	15,010,812	113.5p	1.18%
31.01.14	36,001	38,136,316	94.40p	1.18%
C-Class Accumulation Shares				
31.01.14	9,926	19,991,135	49.65p	0.93%
C-Class Income Shares				
31.01.14	25,731	54,782,099	46.97p	0.93%
X-Class Accumulation Shares				
31.01.13	1	1,000	100.2p	0.06%
31.01.14	1	1,000	88.00p	0.06%

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

The Ongoing charges takes into account the ACD fee, the fixed expenses and any expenses paid to an affiliate in respect of stocklending activities, expressed as a percentage of the average daily net asset values over the period.

Portfolio statement

As at 31 January 2014

Investment	Holding	Market value £'000	Total net assets %
Taiwan - 16.9% (8.9%)			
Asustek Computer	141,000	796	0.8
Delta Electronics	808,000	2,685	2.5
Far Eastone Telecommunications	657,000	785	0.7
Novatek Microelectronics	592,000	1,434	1.3
President Chain Store	350,000	1,422	1.3
Quanta Computer	1,563,000	2,347	2.2
Radiant Opto-Electronics	531,000	1,403	1.3
Siliconware Precision Industries	2,741,000	2,033	1.9
Simplo Technology	205,000	570	0.5
Taiwan Mobile	980,000	1,740	1.6
Taiwan Semiconductor Manufacturing ADS	205,781	2,143	2.0
Tripod Technology	763,000	835	0.8
South Africa - 11.9% (16.8%)			
AVI	366,650	1,007	1.0
Barclays Africa Group	251,400	1,713	1.6
Bidvest Group	173,265	2,283	2.1
Foschini Group	282,235	1,407	1.3
Imperial	184,860	1,832	1.7
MTN Group	156,154	1,638	1.5
Sasol	56,140	1,596	1.5
Tiger Brands	89,297	1,272	1.2
Brazil - 10.9% (14.1%)			
AES Tiete	37,700	157	0.1
Ambev	473,040	1,872	1.7
Banco Bradesco Preference	200,144	1,283	1.2
Banco do Brasil	416,780	2,100	2.0
Cielo	126,400	2,006	1.9
Companhia de Concessoes Rodoviaras	177,885	689	0.6
Embraer ADR	104,340	1,957	1.8
Tractebel Energia	199,063	1,684	1.6
China - 10.9% (8.9%)			
Bank of China 'H'	7,398,000	1,904	1.8
China Construction Bank 'H'	4,394,000	1,850	1.7
China Mobile	350,000	2,027	1.9
China Shenhua Energy 'H'	1,191,500	1,865	1.7
Industrial & Commercial Bank of China 'H'	5,039,000	1,896	1.8
Jiangsu Expressway 'H'	284,000	217	0.2
MGM China	713,200	1,710	1.6
Zhejiang Expressway 'H'	358,000	196	0.2
Russia - 8.7% (8.0%)			
Lukoil ADR	61,979	2,124	2.0
MMC Norilsk Nickel ADR	178,070	1,664	1.5
Mobile Telesystems ADR	180,660	1,891	1.8
Phosagro GDR	157,690	969	0.9
Sberbank ADR	414,483	2,715	2.5
Hong Kong - 6.4% (8.9%)			
Dah Chong Hong	722,000	258	0.3
Hang Seng Bank	171,000	1,632	1.5
SJM	812,000	1,538	1.4
Vtech	118,700	869	0.8
Wynn Macau	1,000,800	2,584	2.4
South Korea - 6.2% (5.5%)			
Kangwon Land	87,350	1,659	1.6
KT&G	40,548	1,720	1.6
SK Telecom ADR	147,460	1,960	1.8
S-Oil	33,390	1,285	1.2
Turkey - 4.4% (4.1%)			
Arcelik	302,460	896	0.8
Ford Otomotiv San	33,310	172	0.2
TOFAS	426,910	1,191	1.1
Turk Telekomunikasyon	645,559	964	0.9
Turkiye Petrol Rafinerileri	158,010	1,548	1.4
Thailand - 4.2% (1.7%)			
Advanced Info Service Public (Alien Market)	579,100	2,218	2.1
Siam Cement Non-Voting Depository Receipt	296,900	2,220	2.1
Saudi Arabia - 4.1% (1.3%)			
Al Rajhi Bank ELN 2015 (Credit Suisse)	85,820	994	0.9
Etihad Etisalat ELN 2016 (JPMorgan)	140,682	1,995	1.8
Yanbu National Petrochemical Company ELN 2015 (Credit Suisse)	61,240	727	0.7
Yanbu National Petrochemical Company Warrants 2016 (Merrill Lynch)	60,695	720	0.7

Investment	Holding	Market value £'000	Total net assets %
Indonesia - 3.8% (5.2%)			
Indo Tambangraya Megah	528,500	698	0.6
Perusahaan Gas Negara	4,773,500	1,130	1.1
Telekomunikasi Indonesia 'B'	20,165,700	2,267	2.1
Qatar - 2.0% (2.3%)			
Qatar Industries	73,176	2,193	2.0
India - 2.0% (3.7%)			
Ascendas India Trust Units	315,000	103	0.1
Coal India	862,233	2,071	1.9
Poland - 1.7% (3.9%)			
Powszechny Zaklad Ubezpieczen	22,950	1,824	1.7
Singapore - 1.6% (1.6%)			
Hutchison Port	4,333,000	1,751	1.6
Mexico - 1.4% (1.0%)			
Kimberly-Clark de Mexico 'A'	990,450	1,478	1.4
UAE - 1.2% (0.0%)			
First Gulf Bank	394,250	1,304	1.2
Liquidity funds - 1.4% (0.0%)			
JPM US Dollar Liquidity 'X' (Distribution) [§]	2,450,000	1,488	1.4
Investment assets		107,174	99.7
Net other assets		272	0.3
Net assets		107,446	100.0

Unless otherwise stated the above securities are admitted to official stock exchange listings or trade on a regulated market.

The comparative percentage figures in brackets are at 31 January 2013.

[^] Deemed to be investment in related parties of the ACD

[§] Approved security as defined in the Collective Investment Schemes sourcebook

Portfolio movements

For the year ending 31 January 2014

	£'000		£'000
Total of all purchases for the year (Note 10)	160,753	Total of all sales for the year (Note 10)	68,934
Major purchases	Cost	Major sales	Proceeds
JPM USD Liquidity 'X' (Distribution)^	28,613	JPM USD Liquidity 'X' (Distribution)^	27,079
Banco do Brasil	3,412	Perusahaan Gas Negara	2,026
Turkiye Petrol Rafinerileri	3,236	Petrochina 'H'	1,753
Coal India	3,174	Old Mutual	1,697
Sberbank ADR	3,025	Philippine Long Distance Telephone ADR	1,614
China Shenhua Energy 'H'	2,823	KGHM Polska Miedz	1,608
Barclays Africa Group	2,817	Saudi Arabian Fertilizer ELN 2015 (Credit Suisse)	1,603
Bidvest Group	2,584	Kumba Iron Ore	1,559
Perusahaan Gas Negara	2,501	Tata Motors 'A'	1,542
Siam Cement Non-Voting Depository Receipt	2,264	SJM	1,496
Powszechny Zaklad Ubezpieczen	2,239	Growthpoint Properties Units	1,467
Advanced Info Service Public (Alien Market)	2,238	Energias do Brasil	1,404
Telekomunikasi Indonesia 'B'	2,226	Banco do Brasil	1,260
Companhia de Bebidas das Americas Preference	2,218	Cia Souza Cruz 'E'	1,246
Siliconware Precision Industries	2,212	Powszechny Zaklad Ubezpieczen	1,170
Wynn Macau	2,193	Tata Motors ELN 2014 (UBS)	1,124
Lukoil ADR	2,170	Exxaro Resources	1,096
Taiwan Semiconductor Manufacturing ADS	2,132	Turkiye Petrol Rafinerileri	1,055
Etihad Etisalat ELN 2016 (JPMorgan)	2,130	Coal India ELN 2013 (UBS)	940
Turk Telekomunikasyon	2,125	Dah Chong Hong	881

^ Deemed to be investment in related parties of the ACD

Financial statements

Statement of total return

For the year ending 31 January

	2014	2013
£'000	£'000	£'000
Income		
Net capital (losses)/gains (Note 1)	(21,520)	2,850
Revenue (Note 2)	5,344	181
Expenses (Note 3)	(1,420)	(134)
Net revenue before taxation	3,924	47
Taxation (Note 4)	(480)	(19)
Net revenue after taxation	3,444	28
Total return before distributions	(18,076)	2,878
Finance costs: Distributions (Note 5)	(4,566)	(140)
Change in net assets attributable to shareholders from investment activities	(22,642)	2,738

Balance sheet

As at 31 January

	2014	2013
£'000	£'000	£'000
ASSETS		
Investment assets	107,174	36,847
Debtors (Note 7)	1,656	2,083
Cash and bank balances (Note 8)	327	598
Total other assets	1,983	2,681
Total assets	109,157	39,528
LIABILITIES		
Creditors (Note 9)	(1,175)	(1,857)
Bank overdrafts	-	(94)
Distribution payable on income shares	(536)	(75)
Total liabilities	(1,711)	(2,026)
Net assets attributable to shareholders	107,446	37,502

Statement of change in net assets attributable to shareholders

For the year ending 31 January

	2014	2013
£'000	£'000	£'000
Opening net assets attributable to shareholders	37,502	-
Amounts receivable on issue of shares	145,115	35,898
Amounts payable on cancellation of shares	(54,853)	(1,199)
	90,262	34,699
Change in net assets attributable to shareholders from investment activities (see above)	(22,642)	2,738
Retained distributions on accumulation shares	2,324	65
Closing net assets attributable to shareholders	107,446	37,502

The notes to these financial statements are shown on pages 64 to 65.

Notes to the financial statements for the year ending 31 January 2014

1. Net capital (losses)/gains

	2014	2013
	£'000	£'000
Currency (losses)/gains	(28)	8
Non-derivative securities	(21,492)	2,842
Net capital (losses)/gains	(21,520)	2,850

2. Revenue

	2014	2013
	£'000	£'000
Franked income from UK equity investments	55	2
Income from Liquidity funds	1	-
Income from overseas equity investments	5,287	156
Interest on bank and term deposits	1	-
Interest on fixed-interest securities	-	23
Total revenue	5,344	181

3. Expenses

	2014	2013
	£'000	£'000
Payable to the ACD or associate of the ACD:		
ACD fee	1,238	118
Fixed expenses	182	16
Total expenses	1,420	134

4. Taxation

	2014	2013
	£'000	£'000
a) Analysis of charge in the year		
Overseas tax suffered	480	19
Current year tax charge (Note 4b)	480	19

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	3,924	47
Corporation tax at 20%	785	9

Effects of:

Dividends not subject to corporation tax	(911)	(29)
Excess expenses for which no relief taken	136	20
Overseas tax suffered	480	19
Overseas tax expensed	(10)	-
	(305)	10
Current year tax charge (Note 4a)	480	19

No deferred tax asset has been recognised in the financial statements. At the year end date, the Fund had a potential unrecognised deferred tax asset of £157,122 (31.01.13: £20,608) in relation to £785,612 (31.01.13: £103,041) 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.

5. Finance costs

Distributions

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

	2014	2013
	£'000	£'000
First interim dividend distribution	1,114	-
Second interim dividend distribution	1,554	-
Third interim dividend distribution	1,385	118
Final dividend distribution	866	109
Add: Amounts payable on cancellation of shares	486	3
Deduct: Amounts receivable on issue of shares	(839)	(90)
Total finance costs	4,566	140

Details of the distribution per share are set out on pages 66 to 68.

6. Movement between net revenue after taxation and distributions

	2014	2013
	£'000	£'000
Net revenue after taxation	3,444	28
Add: ACD fee (net of tax relief) paid from capital	1,127	115
Add: Undistributed revenue brought forward	3	-
Deduct: Undistributed revenue carried forward	(8)	(3)
	4,566	140

7. Debtors

	2014	2013
	£'000	£'000
Accrued income	142	44
Due from the ACD for shares created	1,429	2,038
Overseas tax recoverable	85	1
Total debtors	1,656	2,083

8. Cash and bank balances

	2014	2013
	£'000	£'000
Cash and bank balances	327	598

9. Creditors

	2014	2013
	£'000	£'000
Accrued expenses	99	41
Due to the ACD for shares cancelled	104	39
Purchases awaiting settlement	972	1,777
Total creditors	1,175	1,857

Notes to the financial statements – continued

10. Portfolio transaction costs

	2014 £'000	2013 £'000
Analysis of total purchase costs		
Purchases in year before transaction costs	160,548	41,028
Commissions	129	41
Taxes	76	23
Total purchase costs	205	64
Gross purchases total	160,753	41,092
Analysis of total sale costs		
Gross sales before transaction costs	68,999	7,088
Commissions	(45)	(4)
Taxes	(20)	(1)
Total sale costs	(65)	(5)
Total sales net of transaction costs	68,934	7,083

11. 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 £1,226,109 (31.01.13: £1,958,420). Details of related party transactions are given under note 13 on page 413.

Investments considered to be related parties have been identified in the portfolio statement on page 61 and the revenue from these investments was £1,093 (31.01.13: £205).

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 £11,613 (31.01.13: £8,176). 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:

- Cofunds Nominees Limited 21.59% (31.01.13: 1.98%)

12. 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.

Currency	Net foreign currency assets/(liabilities)		
	Total £'000	Monetary exposures £'000	Non-monetary exposures £'000
31.01.14			
US Dollar	23,312	215	23,097
Hong Kong Dollar	18,438	(108)	18,546
Taiwan Dollar	16,220	169	16,051
South African Rand	12,752	5	12,747
Brazilian Real	9,713	(79)	9,792
Korean Won	4,777	113	4,664
Turkish Lira	4,771	-	4,771
Thailand Baht	4,438	-	4,438
Indonesian Rupiah	4,095	-	4,095
Qatari Riyal	2,193	-	2,193
Indian Rupee	2,071	-	2,071
Polish Zloty	1,852	28	1,824
Mexican Peso	1,369	(109)	1,478
Arab Emirates Dirham	1,314	10	1,304
Singapore Dollar	103	-	103
31.01.13			
US Dollar	8,091	87	8,004
Hong Kong Dollar	6,690	-	6,690
South African Rand	5,860	(371)	6,231
Brazilian Real	4,870	222	4,648
Taiwan Dollar	3,111	321	2,790
Indonesian Rupiah	1,844	(75)	1,919
Turkish Lira	1,557	-	1,557
Korean Won	1,472	(45)	1,517
Polish Zloty	1,468	-	1,468
Qatari Riyal	810	(38)	848
Thailand Baht	643	-	643
Mexican Peso	390	1	389
Singapore Dollar	143	-	143

Interest rate risk

At the year end date, 0.3% (31.01.13: 1.3%) of the Fund's net assets by value were interest bearing, carrying a (fixed/floating) rate.

For consideration of other risks including liquidity, pricing and credit risk, please refer to the notes to the aggregated financial statements, pages 413 to 414.

13. 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 fixed expenses charge are shown below.

	ACD fee	Fixed expenses
Class A shares:	1.50%	0.18%
Class B shares:	1.00%	0.18%
Class C shares:	0.75%	0.18%
Class X shares:	0.00%	0.06%

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 60. All classes have the same rights on winding up.

Distribution tables

Final distribution in pence per share

Group 1 – Shares purchased prior to 1 November 2013

Group 2 – Shares purchased 1 November 2013 to 31 January 2014

	Gross revenue	Tax at 10%	Net revenue	Equalisation	Distribution payable 30.04.14	Distribution paid 30.04.13
A-Class Accumulation Shares						
Group 1	0.433333	0.043333	0.390000	-	0.390000	0.170000
Group 2	0.288773	0.028877	0.259896	0.130104	0.390000	0.170000
A-Class Income Shares						
Group 1	0.422222	0.042222	0.380000	-	0.380000	0.160000
Group 2	0.207102	0.020710	0.186392	0.193608	0.380000	0.160000
B-Class Accumulation Shares						
Group 1	0.444444	0.044444	0.400000	-	0.400000	0.170000
Group 2	0.271361	0.027136	0.244225	0.155775	0.400000	0.170000
B-Class Income Shares						
Group 1	0.855556	0.085556	0.770000	-	0.770000	0.330000
Group 2	0.401846	0.040185	0.361661	0.408339	0.770000	0.330000
C-Class Accumulation Shares						
Group 1	0.444444	0.044444	0.400000	-	0.400000	-
Group 2	0.186037	0.018604	0.167433	0.232567	0.400000	-
C-Class Income Shares						
Group 1	0.422222	0.042222	0.380000	-	0.380000	-
Group 2	0.218441	0.021844	0.196597	0.183403	0.380000	-
X-Class Accumulation Shares						
Group 1	0.822222	0.082222	0.740000	-	0.740000	0.000000
Group 2	0.822222	0.082222	0.740000	0.000000	0.740000	0.000000

Distribution tables – continued

Third interim distribution in pence per share

Group 1 – Shares purchased prior to 1 August 2013

Group 2 – Shares purchased 1 August 2013 to 31 October 2013

	Gross revenue	Tax at 10%	Net revenue	Equalisation	Distribution paid 31.01.14	Distribution paid 31.01.13
A-Class Accumulation Shares						
Group 1	0.766667	0.076667	0.690000	-	0.690000	0.370000
Group 2	0.142587	0.014259	0.128328	0.561672	0.690000	0.370000
A-Class Income Shares						
Group 1	0.744444	0.074444	0.670000	-	0.670000	0.370000
Group 2	0.167386	0.016739	0.150647	0.519353	0.670000	0.370000
B-Class Accumulation Shares						
Group 1	0.766667	0.076667	0.690000	-	0.690000	0.370000
Group 2	0.262478	0.026248	0.236230	0.453770	0.690000	0.370000
B-Class Income Shares						
Group 1	1.488889	0.148889	1.340000	-	1.340000	0.750000
Group 2	0.536110	0.053611	0.482499	0.857501	1.340000	0.750000
C-Class Accumulation Shares						
Group 1	0.766667	0.076667	0.690000	-	0.690000	-
Group 2	0.056159	0.005616	0.050543	0.639457	0.690000	-
C-Class Income Shares						
Group 1	0.744444	0.074444	0.670000	-	0.670000	-
Group 2	0.148220	0.014822	0.133398	0.536602	0.670000	-
X-Class Accumulation Shares						
Group 1	1.455556	0.145556	1.310000	-	1.310000	-
Group 2	1.455556	0.145556	1.310000	0.000000	1.310000	-

Distribution tables – continued

Second interim distribution in pence per share

Group 1 – Shares purchased prior to 1 May 2013

Group 2 – Shares purchased 1 May 2013 to 31 July 2013

	Gross revenue	Tax at 10%	Net revenue	Equalisation	Distribution paid 31.10.13	Distribution paid 31.10.12
A-Class Accumulation Shares						
Group 1	0.844444	0.084444	0.760000	-	0.760000	-
Group 2	0.424679	0.042468	0.382211	0.377789	0.760000	-
A-Class Income Shares						
Group 1	0.822222	0.082222	0.740000	-	0.740000	-
Group 2	0.309680	0.030968	0.278712	0.461288	0.740000	-
B-Class Accumulation Shares						
Group 1	0.844444	0.084444	0.760000	-	0.760000	-
Group 2	0.396254	0.039625	0.356629	0.403371	0.760000	-
B-Class Income Shares						
Group 1	1.644444	0.164444	1.480000	-	1.480000	-
Group 2	0.354108	0.035411	0.318697	1.161303	1.480000	-
X-Class Accumulation Shares						
Group 1	1.455556	0.145556	1.310000	-	1.310000	-
Group 2	1.455556	0.145556	1.310000	0.000000	1.310000	-

First interim distribution in pence per share

Group 1 – Shares purchased prior to 1 February 2013

Group 2 – Shares purchased 1 February 2013 to 30 April 2013

	Gross revenue	Tax at 10%	Net revenue	Equalisation	Distribution paid 31.07.13	Distribution paid 31.07.12
A-Class Accumulation Shares						
Group 1	0.722222	0.072222	0.650000	-	0.650000	-
Group 2	0.585133	0.058513	0.526620	0.123380	0.650000	-
A-Class Income Shares						
Group 1	0.722222	0.072222	0.650000	-	0.650000	-
Group 2	0.384795	0.038479	0.346316	0.303684	0.650000	-
B-Class Accumulation Shares						
Group 1	0.722222	0.072222	0.650000	-	0.650000	-
Group 2	0.311911	0.031191	0.280720	0.369280	0.650000	-
B-Class Income Shares						
Group 1	1.444444	0.144444	1.300000	-	1.300000	-
Group 2	0.580365	0.058036	0.522329	0.777671	1.300000	-
X-Class Accumulation Shares						
Group 1	1.300000	0.130000	1.170000	-	1.170000	-
Group 2	1.300000	0.130000	1.170000	0.000000	1.170000	-

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 Infrastructure Fund

Important information

On 31 August 2013 this Fund was merged into JPM Emerging Markets Fund.

Highest/lowest share price and distribution record

Calendar year	Highest share price	Lowest share price	Distribution per share (net)
A-Class Accumulation Shares			
2009	68.50p	35.43p	0.00p
2010	86.11p	64.41p	0.58p
2011	87.25p	62.14p	0.08p
2012	78.12p	65.70p	0.47p
2013 ^A	79.90p	65.66p	1.28p
A-Class Income Shares			
2009	68.53p	35.43p	0.00p
2010	85.32p	63.95p	0.58p
2011	86.45p	61.51p	0.05p
2012	76.75p	64.62p	0.46p
2013 ^A	77.85p	63.97p	1.26p
B-Class Accumulation Shares^B			
2012	105.8p	97.51p	-
2013 ^A	115.3p	94.94p	2.56p
C-Class Accumulation Shares^C			
2012	104.0p	95.97p	-
2013 ^A	113.4p	93.40p	2.77p
C-Class Income Shares^C			
2012	104.0p	95.97p	-
2013 ^A	111.9p	92.13p	2.75p

^A To 31 August 2013.

^B B-Class Accumulation Shares were launched on 9 July 2012.

^C C-Class Accumulation Shares and C-Class Income Shares were launched on 20 August 2012.

Net asset values and Ongoing charges

Date	Net asset value per share class £'000	Number of shares	Net asset value per share	Ongoing charges
A-Class Accumulation Shares				
31.01.12	25,987	36,111,070	71.96p	1.93%
31.01.13	21,391	28,383,454	75.36p	1.93%
31.01.14	12	-	-	-
A-Class Income Shares				
31.01.12	2,575	3,637,821	70.78p	1.93%
31.01.13	2,122	2,889,558	73.43p	1.93%
31.01.14	1	-	-	-
B-Class Accumulation Shares				
31.01.13	3	2,500	108.7p	1.33%
31.01.14	-	-	-	-
C-Class Accumulation Shares				
31.01.13	32	30,355	106.8p	1.03%
31.01.14	-	-	-	-
C-Class Income Shares				
31.01.13	1	1,000	105.4p	1.03%
31.01.14	-	-	-	-

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

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

Financial statements

Statement of total return

For the year ending 31 January

	£'000	2014 £'000	£'000	2013 £'000
Income				
Net capital (losses)/gains (Note 1)		(2,208)		643
Revenue (Note 2)	393		848	
Expenses (Note 3)	(213)		(519)	
Net revenue before taxation	180		329	
Taxation (Note 4)	(34)		(55)	
Net revenue after taxation		146		274
Total return before distributions		(2,062)		917
Finance costs: Distributions (Note 5)		(154)		(276)
Change in net assets attributable to shareholders from investment activities		(2,216)		641

Balance sheet

As at 31 January

	£'000	2014 £'000	£'000	2013 £'000
ASSETS				
Investment assets		-		23,576
Debtors (Note 7)	1		85	
Cash and bank balances (Note 8)	12		100	
Total other assets		13		185
Total assets		13		23,761
LIABILITIES				
Creditors (Note 9)	-		(192)	
Distribution payable on income shares	-		(20)	
Total liabilities		-		(212)
Net assets attributable to shareholders		13		23,549

The notes to these financial statements are shown on pages 71 to 72.

Statement of change in net assets attributable to shareholders

For the year ending 31 January

	£'000	2014 £'000	£'000	2013 £'000
Opening net assets attributable to shareholders		23,549		28,562
Amounts transferred to JPM Emerging Markets Fund		(12,772)		-
Amounts receivable on issue of shares	977		3,964	
Amounts payable on cancellation of shares	(9,625)		(9,815)	
		(8,648)		(5,851)
Change in net assets attributable to shareholders from investment activities (see above)		(2,216)		641
Retained distributions on accumulation shares		103		199
Stamp duty reserve tax		(3)		(2)
Closing net assets attributable to shareholders		13		23,549

Notes to the financial statements for the year ending 31 January 2014

1. Net capital (losses)/gains

	2014	2013
	£'000	£'000
Currency gains	73	22
Derivative contracts	(83)	-
Forward currency contracts	(1)	-
Non-derivative securities	(2,197)	621
Net capital (losses)/gains	(2,208)	643

2. Revenue

	2014	2013
	£'000	£'000
Franked income from UK equity investments	7	15
Income from overseas equity investments	386	784
Interest on bank and term deposits	-	1
Interest on fixed-interest securities	-	48
Total revenue	393	848

3. Expenses

	2014	2013
	£'000	£'000
Payable to the ACD or associate of the ACD:		
ACD fee	193	471
Fixed expenses	20	48
Total expenses	213	519

4. Taxation

	2014	2013
	£'000	£'000
a) Analysis of charge in the year		
Overseas tax suffered	34	55
Current year tax charge (Note 4b)	34	55

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	180	329
Corporation tax at 20%	36	66

Effects of:

Dividends not subject to corporation tax	(71)	(142)
Excess expenses for which no relief taken	34	77
Overseas tax suffered	34	55
Overseas tax expensed	1	(1)
	(2)	(11)
Current year tax charge (Note 4a)	34	55

No deferred tax asset has been recognised in the financial statements. At the year end date, the Fund had a potential unrecognised deferred tax asset of £244,833 (31.01.13: £210,838) in relation to £1,224,163 (31.01.13: £1,054,192) 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.

5. Finance costs

Distributions

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

	2014	2013
	£'000	£'000
Final dividend distribution	113	219
Add: Amounts payable on cancellation of shares	44	75
Deduct: Amounts receivable on issue of shares	(3)	(18)
Total finance costs	154	276

Details of the distribution per share are set out on page 73.

6. Movement between net revenue after taxation and distributions

	2014	2013
	£'000	£'000
Net revenue after taxation	146	274
Add: Undistributed revenue brought forward	1	3
Deduct: Undistributed revenue carried forward	6	(1)
Equalisation on conversions	1	-
	154	276

7. Debtors

	2014	2013
	£'000	£'000
Accrued income	1	67
Due from the ACD for shares created	-	13
Overseas tax recoverable	-	5
Total debtors	1	85

8. Cash and bank balances

	2014	2013
	£'000	£'000
Cash and bank balances	12	100

9. Creditors

	2014	2013
	£'000	£'000
Accrued expenses	-	39
Due to the ACD for shares cancelled	-	69
Purchases awaiting settlement	-	84
Total creditors	-	192

Notes to the financial statements – continued

10. Portfolio transaction costs

	2014 £'000	2013 £'000
Analysis of total purchase costs		
Purchases in year before transaction costs	6,347	8,996
Commissions	10	16
Taxes	5	3
Total purchase costs	15	19
Gross purchases total	6,362	9,015
Analysis of total sale costs		
Gross sales before transaction costs	27,771	14,521
Commissions	(24)	(20)
Taxes	(7)	(5)
Total sale costs	(31)	(25)
Total sales net of transaction costs	27,740	14,496

11. 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 (31.01.13: £95,464). Details of related party transactions are given under note 13 on page 413.

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 £1,852 (31.01.13: £2,584). Commission was paid to the associated company JPMorgan Securities Ltd.

During the year, the Fund merged with the JPM Emerging Markets Fund. The Fund closed and its assets amounting to £12,772,000 were transferred to JPM Emerging Markets Fund.

The following parties held a material interest in the Fund at the year end date:

- FNZ (UK) Nominees Ltd 0.00% (31.01.13: 25.16%)
- FIL (Luxembourg) SA 0.00% (31.01.13: 16.97%)
- Cofunds Nominees Ltd 0.00% (31.01.13: 10.13%)

12. Share classes

The Fund had three share classes; Class A Shares, Class B Shares and Class C Shares. The Authorised Corporate Director's (ACD) fee and fixed expenses charge were as shown below.

	ACD fee	Fixed expenses
Class A shares:	1.75%	0.18%
Class B shares:	1.15%	0.18%
Class C shares:	0.85%	0.18%

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 69. All classes had the same rights on winding up.

13. Contingent liabilities and capital commitments

At the balance sheet date there were no contingent liabilities or capital commitments (2013: none).

Distribution table

Final distribution in pence per share

Group 1 – Shares purchased prior to 1 February 2013

Group 2 – Shares purchased 1 February 2013 to 30 August 2013

	Gross revenue	Tax at 10%	Net revenue	Equalisation	Distribution paid 29.11.13	Distribution paid 30.04.13
A-Class Accumulation Shares						
Group 1	0.644444	0.064444	0.580000	-	0.580000	0.700000
Group 2	0.413758	0.041376	0.372382	0.207618	0.580000	0.700000
A-Class Income Shares						
Group 1	0.633333	0.063333	0.570000	-	0.570000	0.690000
Group 2	0.390013	0.039001	0.351012	0.218988	0.570000	0.690000
B-Class Accumulation Shares						
Group 1	1.344444	0.134444	1.210000	-	1.210000	1.350000
Group 2	0.984150	0.098415	0.885735	0.324265	1.210000	1.350000
C-Class Accumulation Shares						
Group 1	1.500000	0.150000	1.350000	-	1.350000	1.420000
Group 2	1.004302	0.100430	0.903872	0.446128	1.350000	1.420000
C-Class Income Shares						
Group 1	1.444444	0.144444	1.300000	-	1.300000	1.450000
Group 2	1.028283	0.102828	0.925455	0.374545	1.300000	1.450000

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 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.

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

Risk profile

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

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

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

European equities delivered positive returns for the year, supported by accommodative monetary policy and progress towards regional economic recovery.

The Fund, which invests in attractively valued, high quality stocks with positive momentum, outperformed its benchmark. At the sector level, the biggest contributors to relative returns included stock selection and overweight holdings in aerospace & defense and automobiles & parts. Detractors from relative performance included stock selection in the nonlife insurance sector, and stock selection and overweight holdings in real estate investment & services and oil & gas producers.

At the stock level, relative returns were boosted by an overweight position in French auto parts supplier Valeo, which outperformed as strong organic growth drove earnings upgrades. An overweight holding in Thales also contributed positively to relative performance, as the French aerospace and defence company reported good third-quarter sales with unexpectedly high organic growth and confirmed that it was on track to meet its sales targets for the fiscal year. Detractors from relative returns included overweight exposure to Enel, as the Italian utility company's share price performance was lacklustre amid falling energy prices and increased regulatory risk. An underweight holding in ING also held back relative returns, as the Dutch lender and insurer posted better-than-expected results for the third quarter, boosted by improving net interest margins and strong cash generation. However, relative performance benefited from overweight exposure to Danish jewellery company Pandora, which reported higher-than-expected fourth-quarter sales growth.

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

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

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

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

Source: J.P. Morgan.

^a On 01/10/09 the name of the benchmark changed from the FTSE World Europe ex UK (Total Return Net) to the FTSE All-World Developed Europe ex UK Index (Net).

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

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Fund outlook

The economic backdrop looks set to remain favourable for European equities. If the recovery continues to gather momentum, European companies have the potential to deliver earnings growth.

12 month performance as at 31 January

	2014	2013	2012	2011	2010
JPM Europe A-Class Acc	14.1%	23.5%	-13.8%	16.1%	20.4%
JPM Europe B-Class Acc	14.7%	23.9%	-13.4%	16.7%	21.1%
JPM Europe C-Class Inc	15.0%	24.4%	-13.2%	17.1%	24.9%
JPM Europe I-Class Acc	15.3%	-	-	-	-
JPM Europe X-Class Inc	15.8%	-	-	-	-
Benchmark Index ^a	11.1%	22.2%	-14.2%	14.7%	30.2%

Fund statistics

Risk and Reward Profile	6*
Fund size	£204.9m
Benchmark Index ^b	FTSE All-World Developed Europe ex UK Index (Net)
Fund charges	
A-Class	Initial 3.00%, Annual 1.50%
B-Class	Initial Nil, Annual 1.00%
C-Class	Initial Nil, Annual 0.75%
I-Class	Initial Nil, Annual 0.60%
X-Class	On application ^b

Top ten holdings (excluding Liquidity funds) %

Roche (Genusscheine)	4.8
Novartis	4.5
TOTAL S.A.	2.6
Nestle	2.5
BASF	2.3
Deutsche Telekom	2.3
BNP Paribas	2.2
Swiss Re	2.0
Bayer	1.9
Skandinaviska Enskilda Banken 'A'	1.8

Geographical breakdown %

Germany	20.3
Switzerland	19.4
France	19.4
Sweden	7.4
Netherlands	7.2
Belgium	5.5
Spain	5.0
Italy	4.4
Denmark	4.0
Austria	2.3
Finland	2.0
Ireland	1.1
Luxembourg	0.7
Norway	0.2
Liquidity funds	0.1
Net other assets	1.0

Highest/lowest share price and distribution record

Calendar year	Highest share price	Lowest share price	Distribution per share (net)
A-Class Accumulation Shares			
2009	770.6p	473.4p	15.72p
2010	793.6p	624.6p	9.93p
2011	837.1p	589.1p	7.26p
2012	769.7p	614.9p	9.52p
2013	989.5p	772.1p	13.17p
2014 ^c	1,010p	956.0p	13.97p
A-Class Income Shares			
2009	48.17p	29.60p	0.98p
2010	48.91p	38.49p	0.61p
2011	51.12p	35.97p	0.44p
2012	46.35p	37.03p	0.57p
2013	58.64p	46.50p	0.80p
2014 ^c	59.86p	56.66p	0.82p
B-Class Accumulation Shares			
2009	99.42p	60.90p	2.07p
2010	103.0p	80.89p	1.70p
2011	108.9p	76.80p	1.43p
2012	100.9p	80.45p	1.73p
2013	130.3p	101.2p	2.19p
2014 ^c	133.0p	125.9p	2.40p
B-Class Income Shares^d			
2013	58.70p	52.44p	-
2014 ^c	59.94p	56.73p	0.90p
C-Class Accumulation Shares^e			
2011	105.9p	75.34p	-
2012	99.42p	79.06p	0.30p
2013	128.7p	99.75p	2.41p
2014 ^c	131.5p	124.5p	2.66p
C-Class Income Shares			
2009	108.8p	65.39p	-
2010	110.6p	86.72p	2.19p
2011	115.0p	81.18p	1.93p
2012	104.8p	83.31p	2.09p
2013	132.7p	105.1p	2.53p
2014 ^c	135.5p	128.3p	2.74p
I-Class Accumulation Shares^f			
2012	333.1p	264.5p	-
2013	432.7p	334.2p	8.89p
2014 ^c	441.9p	418.4p	10.13p
X-Class Income Shares^f			
2012	272.7p	215.9p	-
2013	345.7p	273.7p	8.48p
2014 ^c	353.2p	334.5p	9.65p

^c To 31 January 2014.

^d B-Class Income Shares were launched on 2 September 2013.

^e C-Class Accumulation Shares were launched on 27 June 2011.

^f I-Class Accumulation Shares and X-Class Income Shares were launched on 2 February 2012.

Portfolio turnover rate

31.01.13	135.7%
31.01.14	159.4%

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

Portfolio transaction costs

	Broker Commissions	Transaction Taxes	Total
31.01.13	0.50%	0.03%	0.53%
31.01.14	0.37%	0.03%	0.40%

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

Stamp duty reserve tax

31.01.13	0.00%
31.01.14	0.00%

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

Net asset values and Ongoing charges

Date	Net asset value per share class £'000	Number of shares	Net asset value per share	Ongoing charges
A-Class Accumulation Shares				
31.01.12	158,609	23,386,955	678.2p	1.66%
31.01.13	159,132	19,000,978	837.5p	1.69%
31.01.14	153,624	16,077,849	955.5p	1.68%
A-Class Income Shares				
31.01.12	1,386	3,394,415	40.84p	1.68%
31.01.13	1,222	2,462,049	49.64p	1.69%
31.01.14	1,266	2,268,189	55.81p	1.68%
B-Class Accumulation Shares				
31.01.12	1,973	2,226,974	88.57p	1.13%
31.01.13	77	69,879	109.8p	1.19%
31.01.14	144	114,421	125.9p	1.18%
B-Class Income Shares				
31.01.14	7	13,463	55.81p	1.18%
C-Class Accumulation Shares				
31.01.12	501	575,742	86.98p	0.87%
31.01.13	665	614,118	108.3p	0.94%
31.01.14	4,100	3,295,936	124.4p	0.93%
C-Class Income Shares				
31.01.12	75	81,711	91.64p	0.87%
31.01.13	84	75,869	111.6p	0.94%
31.01.14	350	278,876	125.5p	0.93%
I-Class Accumulation Shares				
31.01.13	57,723	15,909,424	362.8p	0.61%
31.01.14	45,276	10,825,578	418.2p	0.60%
X-Class Income Shares				
31.01.13	2,504	867,625	288.6p	0.07%
31.01.14	168	51,668	324.7p	0.06%

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

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

Portfolio statement

As at 31 January 2014

Investment	Holding	Market value £'000	Total net assets %
Germany – 20.3% (18.2%)			
Allianz	32,542	3,278	1.6
Aurelius	3,465	77	-
BASF	72,254	4,674	2.3
Bayer	49,452	3,941	1.9
Continental	14,708	1,907	0.9
Daimler	55,446	2,773	1.4
Deutsche Bank	4,338	126	0.1
Deutsche Beteiligungs	26,460	474	0.2
Deutsche Boerse	1,980	92	0.1
Deutsche Post	156,283	3,262	1.6
Deutsche Telekom	471,084	4,628	2.3
Draegerwerk Non-Voting Preference	1,239	92	0.1
Duerr	17,457	894	0.4
Freenet	103,002	1,878	0.9
Hannover Rueckversicherungs	9,272	450	0.2
Henkel Non-Voting Preference	4,069	265	0.1
Leoni	18,524	872	0.4
Merck	9,132	860	0.4
MunichRe	25,572	3,197	1.6
Porsche Automobil Non-Voting Preference	30,838	1,830	0.9
Rheinmetall	10,094	392	0.2
SHW	21,257	907	0.4
Siemens	25,404	1,926	0.9
Sixt	33,851	658	0.3
Talanx	5,918	115	0.1
Volkswagen Non-Voting Preference	13,936	2,128	1.0
Switzerland – 19.4% (19.3%)			
Adecco	39,948	1,903	0.9
Baloise Group	4,550	329	0.2
BKW	14,704	283	0.1
Credit Suisse Group	77,546	1,420	0.7
Forbo	3,442	1,713	0.8
Implenia	32,482	1,398	0.7
Kardex	15,859	417	0.2
Lonza Group	10,742	649	0.3
Metall Zug 'B'	178	290	0.1
Nestle	119,383	5,225	2.5
Novartis	193,852	9,301	4.5
Roche (Genusscheine)	59,585	9,854	4.8
Swiss Re	78,127	4,101	2.0
Swisscom	2,363	782	0.4
Transocean	36,410	947	0.5
UBS	108,475	1,296	0.6
VP Bank	3,072	192	0.1
France – 19.4% (19.8%)			
Alcatel-Lucent	129,768	313	0.2
BNP Paribas	96,062	4,476	2.2
Boiron	3,606	155	0.1
Bongrain	1,279	63	-
Cap Gemini	53,108	2,211	1.1
Ciments Francais 'A'	5,944	284	0.1
Credit Agricole	167,921	1,351	0.7
Danone	20,522	823	0.4
EDF	133,890	2,751	1.3
Orange	50,075	371	0.2
GDF Suez	240,916	3,229	1.6
M6-Metropole Television	53,868	701	0.3
Natixis	826,740	2,949	1.4
Norbert Dentressangle	3,952	327	0.2
Plastic Omnium	44,444	681	0.3
Safran	85,368	3,636	1.8
Sanofi	45,786	2,736	1.3
Societe Generale	47,972	1,643	0.8
Technicolor	93,207	281	0.1
Thales	73,982	2,900	1.4
TOTAL S.A.	156,515	5,395	2.6
Valeo	29,351	1,956	1.1
Vinci	11,208	441	0.2

Investment	Holding	Market value £'000	Total net assets %
Sweden – 7.4% (8.6%)			
Duni	7,289	60	-
Investor 'B'	49,912	979	0.5
JM	72,005	1,166	0.6
Kinnevik Investment 'B'	13,856	328	0.2
NCC 'B'	36,100	700	0.3
Nordea Bank	284,986	2,298	1.1
Securitas 'B'	337,532	2,102	1.0
Skandinaviska Enskilda Banken 'A'	475,408	3,699	1.8
Svenska Cellulosa 'B'	5,465	93	-
Swedbank 'A'	230,249	3,630	1.8
TeliaSonera	36,919	165	0.1
Netherlands – 7.2% (5.7%)			
Ahold	334,353	3,379	1.6
Airbus Group	77,353	3,311	1.6
Exact	13,743	268	0.1
ING Groep	171,935	1,375	0.7
Nutreco	97,621	2,629	1.3
Philips	4,888	102	-
PostNL	77,769	263	0.1
Randstad	17,877	689	0.3
Unilever	46,856	1,051	0.5
Wolters-Kluwer	71,527	1,200	0.6
Ziggo	30,269	804	0.4
Belgium – 5.5% (4.4%)			
Ageas	127,642	3,310	1.7
Anheuser-Busch InBev	53,417	3,069	1.5
Delhaize Group	47,833	1,865	0.9
GBL	1,860	102	-
KBC Groep	47,680	1,695	0.8
Solvay	14,241	1,209	0.6
Spain – 5.0% (6.1%)			
Banco Santander	101,780	528	0.3
CaixaBank	150,036	542	0.3
Elecnor	6,677	61	-
Ferrovial	283,736	3,293	1.6
Gas Natural	136,312	2,057	1.0
INTERNATIONAL	48,593	198	0.1
Obrascon Huarte Lain	82,674	2,108	1.0
Repsol	98,722	1,410	0.7
Italy – 4.4% (6.6%)			
Acea	50,254	333	0.2
Autostrada Torino-Milano	54,310	495	0.2
Azimut	108,899	1,926	0.9
Cairo Communications	45,045	232	0.1
Enel	693,286	1,894	0.9
ENI	265,695	3,646	1.8
Reply	8,921	412	0.2
UNIPOL GRUPPO FINANZIARIO	38,881	136	0.1
Denmark – 4.0% (4.6%)			
AP Moller-Maersk 'B'	205	1,396	0.7
Jyske Bank	36,000	1,101	0.5
Pandora	29,517	1,020	0.5
Ringkjøbing Landbobank	997	128	0.1
Royal Unibrew	8,873	685	0.3
Schow & Co	13,366	358	0.3
TDC	572,729	3,241	1.6
Austria – 2.3% (1.4%)			
Oesterreichische Post	24,115	676	0.3
OMV	90,528	2,392	1.2
Uniq Insurance Group	73,859	574	0.3
Voestalpine	35,111	942	0.5
Finland – 2.0% (1.6%)			
Nokia	41,010	174	0.1
ORIOLA-KD CORPORATION	28,536	61	-
Sanoma	89,439	440	0.3
Sponda	346,546	1,033	0.5
Tikkurila	16,315	246	0.1
UPM-Kymmene	222,799	2,071	1.0

Portfolio statement – continued

As at 31 January 2014

Investment	Holding	Market value £'000	Total net assets %
Ireland – 1.1% (1.1%)			
Fyffes	257,068	188	0.1
Glanbia	83,320	741	0.4
Origin Enterprises	55,988	310	0.2
Smurfit Kappa Group	48,181	685	0.4
Luxembourg – 0.7% (0.0%)			
ArcelorMittal	147,888	1,477	0.7
Norway – 0.2% (2.1%)			
DNB	19,895	207	0.1
Wilh. Wilhelmsen Holding 'A'	3,770	73	-
Yara International	6,432	160	0.1
Futures – 0.0% (0.0%)			
Euro Stoxx 50 21/03/2014	60	(36)	-
Liquidity funds – 0.1% (0.0%)			
JPM Euro Liquidity 'X' (Flex Distribution) [^] [§]	350,075	288	0.1
Investment assets (including investment liabilities)		202,912	99.0
Net other assets		2,023	1.0
Net assets		204,935	100.0

Unless otherwise stated the above securities are admitted to official stock exchange listings or trade on a regulated market.

The comparative percentage figures in brackets are at 31 January 2013.

[^] Deemed to be investment in related parties of the ACD

[§] Approved security as defined in the Collective Investment Schemes sourcebook

Portfolio movements

For the year ending 31 January 2014

	£'000		£'000
Total of all purchases for the year (Note 10)	198,690	Total of all sales for the year (Note 10)	240,096
Major purchases	Cost	Major sales	Proceeds
JPM Euro Liquidity 'X' Flex (Distribution)^	19,870	JPM Euro Liquidity 'X' Flex (Distribution)^	19,483
Deutsche Telekom	3,488	SAP	5,174
Natixis	3,478	Novo-Nordisk 'B'	4,348
Safran	3,441	Sanofi	4,057
GDF Suez	3,437	Zurich Financial Services	3,983
Obrascon Huarte Lain	3,413	Michelin	3,808
Allianz	3,350	AXA	3,797
Unilever	3,325	Randstad	3,486
TDC	3,302	Credit Suisse Group	3,388
Daimler	3,149	Volkswagen Non-Voting Preference	3,330
Randstad	3,117	Philips	3,209
Credit Suisse Group	3,081	Banco Santander	3,079
OMV	3,015	Vivendi	3,075
UBS	2,975	Syngenta	3,027
Transocean	2,815	Hannover Rueckversicherungs	2,773
EDF	2,715	Anheuser-Busch InBev	2,703
MunichRe	2,676	Investor 'B'	2,608
Volkswagen Non-Voting Preference	2,360	Coloplast 'B'	2,563
Carlsberg 'B'	2,199	Enel	2,542
Ageas	2,178	GAM	2,532

^ Deemed to be investment in related parties of the ACD

Financial statements

Statement of total return

For the year ending 31 January

	2014	2013
£'000	£'000	£'000
Income		
Net capital gains (Note 1)	24,426	39,293
Revenue (Note 2)	7,871	8,147
Expenses (Note 3)	(3,005)	(2,777)
Net revenue before taxation	4,866	5,370
Taxation (Note 4)	(638)	(833)
Net revenue after taxation	4,228	4,537
Total return before distributions	28,654	43,830
Finance costs: Distributions (Note 5)	(4,240)	(4,538)
Change in net assets attributable to shareholders from investment activities	24,414	39,292

Statement of change in net assets attributable to shareholders

For the year ending 31 January

	2014	2013
£'000	£'000	£'000
Opening net assets attributable to shareholders	221,407	162,544
Amounts transferred from JPM Institutional Europe Fund	-	54,653
Amounts receivable on issue of shares	9,594	16,559
Amounts payable on cancellation of shares	(53,913)	(55,573)
	(44,319)	(39,014)
Change in net assets attributable to shareholders from investment activities (see above)	24,414	39,292
Retained distributions on accumulation shares	3,433	3,933
Stamp duty reserve tax	-	(1)
Closing net assets attributable to shareholders	204,935	221,407

Balance sheet

As at 31 January

	2014	2013
£'000	£'000	£'000
ASSETS		
Investment assets	202,948	220,393
Debtors (Note 7)	15,401	8,908
Cash and bank balances (Note 8)	294	51
Total other assets	15,695	8,959
Total assets	218,643	229,352
LIABILITIES		
Investment liabilities	(36)	-
Creditors (Note 9)	(13,641)	(7,024)
Bank overdrafts	-	(826)
Distribution payable on income shares	(31)	(95)
Total other liabilities	(13,672)	(7,945)
Total liabilities	(13,708)	(7,945)
Net assets attributable to shareholders	204,935	221,407

The notes to these financial statements are shown on pages 81 to 82.

Notes to the financial statements for the year ending 31 January 2014

1. Net capital gains

	2014	2013
	£'000	£'000
Currency (losses)/gains	(81)	31
Derivative contracts	171	-
Forward currency contracts	1	-
Italian tax credit received	370	-
Non-derivative securities	23,965	39,262
Net capital gains	<u>24,426</u>	<u>39,293</u>

2. Revenue

	2014	2013
	£'000	£'000
Income from Liquidity funds	1	7
Income from overseas equity investments	7,671	7,788
Interest on bank and term deposits	97	2
Stock dividends	42	188
Stocklending income	60	162
Total revenue	<u>7,871</u>	<u>8,147</u>

3. Expenses

	2014	2013
	£'000	£'000
Payable to the ACD or associate of the ACD:		
ACD fee	2,715	2,508
Fixed expenses	290	269
Total expenses	<u>3,005</u>	<u>2,777</u>

4. Taxation

	2014	2013
	£'000	£'000
a) Analysis of charge in the year		
Overseas tax provision	-	40
Overseas tax suffered	638	793
Current year tax charge (Note 4b)	<u>638</u>	<u>833</u>

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.

	2014	2013
	£'000	£'000
Net revenue before taxation	4,866	5,370
Corporation tax at 20%	973	1,074
Effects of:		
Dividends not subject to corporation tax	(1,542)	(1,564)
Excess expenses for which no relief taken	569	490
Overseas tax provision	-	40
Overseas tax suffered	638	793
	<u>(335)</u>	<u>(241)</u>
Current year tax charge (Note 4a)	<u>638</u>	<u>833</u>

No deferred tax asset has been recognised in the financial statements. At the year end date, the Fund had a potential unrecognised deferred tax asset of £2,055,215 (31.01.13: £1,485,732) in relation to £10,276,073 (31.01.13: £7,428,658) 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.

5. Finance costs

Distributions

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

	2014	2013
	£'000	£'000
Final dividend distribution	3,464	4,028
Add: Amounts payable on cancellation of shares	851	882
Deduct: Amounts receivable on issue of shares	(75)	(372)
Total finance costs	<u>4,240</u>	<u>4,538</u>

Details of the distribution per share are set out on page 83.

6. Movement between net revenue after taxation and distributions

	2014	2013
	£'000	£'000
Net revenue after taxation	4,228	4,537
Add: Undistributed revenue brought forward	1	2
Deduct: Undistributed revenue carried forward	(1)	(1)
Equalisation on conversions	12	-
	<u>4,240</u>	<u>4,538</u>

7. Debtors

	2014	2013
	£'000	£'000
Due from the ACD for shares created	56	19
Overseas tax recoverable	641	476
Sales awaiting settlement	14,704	8,413
Total debtors	<u>15,401</u>	<u>8,908</u>

8. Cash and bank balances

	2014	2013
	£'000	£'000
Amounts held at futures clearing houses and brokers	169	-
Cash and bank balances	125	51
Total cash and bank balances	<u>294</u>	<u>51</u>

9. Creditors

	2014	2013
	£'000	£'000
Accrued expenses	258	249
Due to the ACD for shares cancelled	858	580
Purchases awaiting settlement	12,525	6,195
Total creditors	<u>13,641</u>	<u>7,024</u>

Notes to the financial statements – continued

10. Portfolio transaction costs

	2014 £'000	2013 £'000
Analysis of total purchase costs		
Purchases in year before transaction costs	198,193	234,203
Commissions	410	284
Taxes	87	51
Total purchase costs	497	335
Gross purchases total	198,690	234,538
Analysis of total sale costs		
Gross sales before transaction costs	240,565	216,340
Commissions	(469)	(304)
Total sale costs	(469)	(304)
Total sales net of transaction costs	240,096	216,036

11. 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 £1,060,356 (31.01.13: £809,272). Details of related party transactions are given under note 13 on page 413.

Investments considered to be related parties have been identified in the portfolio statement on pages 77 to 78 and the revenue from these investments was £764 (31.01.13: £6,844).

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 £5,039 (31.01.13: £4,531). Commission was paid to the associated company JPMorgan Securities Ltd.

The gross stocklending income received was £69,974 (31.01.13: £191,113), with fees deducted of £10,382 (31.01.13: £28,790).

The following parties held a material interest in the Fund at the year end date:

- JPMorgan Life Ltd 21.92% (31.01.13: 24.32%)
- Turnsonic (Nominees) Ltd 17.36% (31.01.13: 16.09%)

12. Stocklending

As at 31 January 2014 the aggregate value of securities on loan was £7,455,659 (31.01.13: £7,674,846). The Depository held £7,652,931 (31.01.13: £7,867,130) of collateral assets on behalf of the Fund in respect thereof. The nature of the collateral was 12.1% bonds and 87.9% cash.

13. 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.

Currency	Net foreign currency assets/(liabilities)		
	Total £'000	Monetary exposures £'000	Non-monetary exposures £'000
31.01.14			
Euro	141,594	2,336	139,258
Swiss Franc	40,295	194	40,101
Swedish Krona	15,285	65	15,220
Danish Krone	7,928	-	7,928
Norwegian Krone	533	92	441
US Dollar	1	1	-
31.01.13			
Euro	143,430	234	143,196
Swiss Franc	44,820	1,434	43,386
Swedish Krona	19,197	27	19,170
Danish Krone	9,420	(449)	9,869
Norwegian Krone	5,395	623	4,772

Interest rate risk

At the year end date, 0.1% (31.01.13: 0.0%) of the Fund's net assets by value were interest bearing, carrying a (fixed/floating) rate.

For consideration of other risks including liquidity, pricing and credit risk, please refer to the notes to the aggregated financial statements, pages 413 to 414.

14. 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 fixed expenses charge are shown below.

	ACD fee	Fixed expenses
Class A shares:	1.50%	0.18%
Class B shares:	1.00%	0.18%
Class C shares:	0.75%	0.18%
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 page 76. All classes have the same rights on winding up.

15. Derivatives

The Fund enters into derivative transactions in the form of futures for the purpose of efficient portfolio management. The commitment approach has been used to calculate the global exposure.

Further information on the derivative risks can be found in the notes to the aggregated financial statements on page 414.

16. Contingent liabilities and capital commitments

At the balance sheet date there were no contingent liabilities or capital commitments (2013: none).

Distribution table

Final distribution in pence per share

Group 1 – Shares purchased prior to 1 February 2013

Group 2 – Shares purchased 1 February 2013 to 31 January 2014

	Gross revenue	Tax at 10%	Net revenue	Equalisation	Distribution payable 30.04.14	Distribution paid 30.04.13
A-Class Accumulation Shares						
Group 1	15.522222	1.552222	13.970000	-	13.970000	13.170000
Group 2	1.360153	0.136015	1.224138	12.745862	13.970000	13.170000
A-Class Income Shares						
Group 1	0.911111	0.091111	0.820000	-	0.820000	0.800000
Group 2	0.220856	0.022086	0.198770	0.621230	0.820000	0.800000
B-Class Accumulation Shares						
Group 1	2.666667	0.266667	2.400000	-	2.400000	2.190000
Group 2	1.470638	0.147064	1.323574	1.076426	2.400000	2.190000
B-Class Income Shares						
Group 1	1.000000	0.100000	0.900000	-	0.900000	-
Group 2	1.000000	0.100000	0.900000	0.000000	0.900000	-
C-Class Accumulation Shares						
Group 1	2.955556	0.295556	2.660000	-	2.660000	2.410000
Group 2	1.014197	0.101420	0.912777	1.747223	2.660000	2.410000
C-Class Income Shares						
Group 1	3.044444	0.304444	2.740000	-	2.740000	2.530000
Group 2	0.246734	0.024673	0.222061	2.517939	2.740000	2.530000
I-Class Accumulation Shares						
Group 1	11.255556	1.125556	10.130000	-	10.130000	8.890000
Group 2	11.255556	1.125556	10.130000	0.000000	10.130000	8.890000
X-Class Income Shares						
Group 1	10.722222	1.072222	9.650000	-	9.650000	8.480000
Group 2	10.722222	1.072222	9.650000	0.000000	9.650000	8.480000

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 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.

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

Risk profile

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

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

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 Part 1: 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

European equities delivered positive returns for the year, supported by accommodative monetary policy and progress towards regional economic recovery.

The Fund, which has a best ideas approach to investing in attractively valued, high quality stocks with positive momentum, outperformed its benchmark. At the sector level, the biggest contributors to relative returns included stock selection and an overweight holding in industrial transportation, and stock selection and an underweight in personal goods. Detractors from relative performance included stock selection and an underweight position in pharmaceuticals & biotechnology, and stock selection in technology hardware & equipment and travel & leisure.

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

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

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

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

Source: J.P. Morgan.

^a On 01/10/09 the name of the benchmark changed from the FTSE World Europe ex UK (Total Return Net) to the FTSE All-World Developed Europe ex UK Index (Net).

^b C-Class Accumulation (GBP Hedged) Shares were launched on 28 August 2013, therefore 12 month performance to 31 January is not available.

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.

At the stock level, the Fund benefited most from an overweight position in PostNL, a Dutch postal operator, which received upgrades after reporting better-than-expected third-quarter results. Relative returns were also boosted by an overweight position in Airbus Group, as the passenger jet manufacturer reported stronger-than-expected full-year orders and deliveries, and issued a bullish sales forecast. Among detractors from relative returns was underweight exposure to Swiss pharmaceuticals company Roche (Genusscheine), which continued to deliver good sales growth and remained supported by an industry-leading new drug pipeline. An overweight position in Deutsche Lufthansa, also contributed negatively to relative performance, as the German airline's third-quarter results disappointed and share price performance was lacklustre for the year. However, relative performance benefited from overweight exposure to Danish jewellery company Pandora, which reported higher-than-expected fourth-quarter sales growth.

Fund outlook

The economic backdrop looks set to remain favourable for European equities. If the recovery continues to gather momentum, European companies have the potential to deliver earnings growth.

12 month performance as at 31 January

	2014	2013	2012	2011	2010
JPM Europe Dynamic (ex-UK)					
A-Class Acc	18.9%	28.7%	-15.6%	21.4%	26.0%
JPM Europe Dynamic (ex-UK)					
B-Class Acc	19.5%	29.3%	-15.1%	22.1%	26.6%
JPM Europe Dynamic (ex-UK)					
C-Class Acc	19.8%	-	-	-	-
Benchmark Index ^a	11.1%	22.2%	-14.2%	14.7%	30.2%
JPM Europe Dynamic (ex-UK)					
A-Class Acc (GBP Hedged)	25.9%	25.3%	-12.4%	-	-
JPM Europe Dynamic (ex-UK)					
C-Class Acc (GBP Hedged) ^b	-	-	-	-	-
Hedged Benchmark Index	16.6%	19.6%	-12.4%	-	-

Fund statistics

Risk and Reward Profile	6*
Fund size	£157.5m
Benchmark Index ^a	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	
A-Class	Initial 3.00%, Annual 1.50%
B-Class	Initial Nil, Annual 1.00%
C-Class	Initial Nil, Annual 0.75%

Top ten holdings (excluding Liquidity funds) %

TOTAL S.A.	2.8
Sanofi	2.1
BASF	2.1
Novartis	2.0
Roche (Genusscheine)	2.0
ING Groep	1.8
Compagnie de Saint-Gobain	1.7
Daimler	1.6
Airbus Group	1.6
Merck	1.5

Geographical breakdown %

Germany	20.7
France	20.3
Switzerland	10.0
Italy	7.1
Liquidity funds	6.8
Sweden	5.8
Netherlands	5.5
Denmark	4.9
Spain	4.8
Ireland	3.2
Norway	2.9
Belgium	2.6
Finland	2.0
Portugal	1.6
Austria	0.6
Forward currency contracts GBP Hedged share classes	0.1
Futures	(0.1)
Net other assets	1.2

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

Highest/lowest share price and distribution record

Calendar year	Highest share price	Lowest share price	Distribution per share (net)
A-Class Accumulation Shares			
2009	103.3p	62.69p	1.76p
2010	113.6p	86.16p	1.22p
2011	121.5p	84.53p	0.67p
2012	112.4p	90.60p	1.49p
2013	153.1p	113.5p	1.25p
2014 ^c	158.1p	147.0p	1.50p
A-Class Accumulation GBP Hedged Shares^d			
2010	109.3p	91.67p	-
2011	112.7p	80.65p	0.00p
2012	114.4p	92.84p	1.40p
2013	154.9p	116.0p	1.28p
2014 ^c	160.7p	150.9p	1.46p
A-Class Income Shares			
2009	50.44p	30.62p	0.90p
2010	54.82p	41.59p	0.52p
2011	58.32p	40.57p	0.32p
2012	53.09p	42.79p	0.73p
2013	71.59p	53.62p	0.58p
2014 ^c	73.94p	68.74p	0.71p
B-Class Accumulation Shares			
2009	88.75p	53.74p	1.87p
2010	98.38p	74.44p	1.51p
2011	105.5p	73.51p	1.04p
2012	98.37p	79.10p	1.78p
2013	134.6p	99.36p	1.54p
2014 ^c	139.1p	129.3p	3.94p
B-Class Income Shares			
2009	94.68p	57.34p	1.21p
2010	103.0p	77.95p	1.54p
2011	109.3p	76.17p	1.09p
2012	99.85p	80.24p	1.85p
2013	134.4p	100.9p	1.56p
2014 ^c	138.8p	129.0p	1.64p
C-Class Accumulation Shares^e			
2012	112.5p	102.1p	-
2013	154.3p	113.6p	1.46p
2014 ^c	159.4p	148.3p	2.52p
C-Class Accumulation GBP Hedged Shares^f			
2013	155.2p	130.9p	-
2014 ^c	161.0p	151.1p	1.94p
C-Class Income Shares^e			
2012	53.16p	48.23p	-
2013	72.10p	53.70p	0.67p
2014 ^c	74.48p	69.26p	1.17p

^c To 31 January 2014.

^d A-Class Accumulation GBP Hedged Shares were launched on 1 September 2010.

^e C-Class Accumulation Shares and C-Class Income Shares were launched on 22 October 2012.

^f C-Class Accumulation GBP Hedged Shares were launched on 28 August 2013.

Portfolio turnover rate

31.01.13	538.8%
31.01.14	461.3%

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

Portfolio transaction costs

	Broker Commissions	Transaction Taxes	Total
31.01.13	0.73%	0.06%	0.79%
31.01.14	0.59%	0.13%	0.72%

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

Stamp duty reserve tax

31.01.13	0.00%
31.01.14	0.00%

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

Net asset values and Ongoing charges

Date	Net asset value per share class £'000	Number of shares	Net asset value per share	Ongoing charges
A-Class Accumulation Shares				
31.01.12	78,536	81,833,122	95.97p	1.68%
31.01.13	76,081	61,861,147	123.0p	1.69%
31.01.14	105,114	71,579,018	146.9p	1.69%
A-Class Accumulation GBP Hedged Shares				
31.01.12	10,001	10,460,568	95.61p	1.68%
31.01.13	11,405	9,558,279	119.3p	1.69%
31.01.14	10,417	6,909,132	150.8p	1.69%
A-Class Income Shares				
31.01.12	3,015	6,650,123	45.33p	1.68%
31.01.13	1,702	2,958,682	57.51p	1.69%
31.01.14	3,218	4,733,681	67.97p	1.69%
B-Class Accumulation Shares				
31.01.12	834	997,802	83.64p	1.15%
31.01.13	250	232,510	107.7p	1.19%
31.01.14	274	212,080	129.2p	1.19%
B-Class Income Shares				
31.01.12	6	7,000	84.84p	1.15%
31.01.13	3	3,000	107.7p	1.19%
31.01.14	3	2,000	127.3p	1.19%
C-Class Accumulation Shares				
31.01.13	40	32,956	123.2p	0.94%
31.01.14	18,986	12,815,204	148.2p	0.94%
C-Class Accumulation GBP Hedged Shares				
31.01.14	11,594	7,676,887	151.0p	0.94%
C-Class Income Shares				
31.01.13	84	145,354	57.54p	0.94%
31.01.14	7,904	11,616,155	68.04p	0.94%

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

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

Portfolio statement

As at 31 January 2014

Investment	Holding	Market value £'000	Total net assets %
Germany – 20.7% (19.5%)			
Allianz	21,066	2,122	1.3
BASF	50,189	3,247	2.1
Bayer	19,461	1,551	1.0
BMW	34,273	2,229	1.4
Centrotec Sustainable	93,727	1,461	0.9
Continental	14,774	1,915	1.2
Daimler	50,639	2,532	1.6
Deutsche Lufthansa	164,216	2,341	1.5
Deutsche Post	65,790	1,373	0.9
Deutsche Telekom	78,171	768	0.5
Duerr	17,686	905	0.6
GAGFAH	8,646	76	-
Grammer	28,281	793	0.5
Hannover Rueckversicherungs	22,867	1,111	0.7
Merck	25,778	2,427	1.5
MunichRe	6,511	814	0.5
Nordex	37,972	297	0.2
Osram Licht	22,171	790	0.5
ProSiebenSat.1 Media	45,173	1,209	0.8
RWE 'A'	36,249	814	0.5
SAP	34,666	1,603	1.0
Siemens	20,434	1,550	1.0
Jumbo	78,109	772	0.5
France – 20.3% (15.2%)			
Airbus Group	58,827	2,518	1.6
Alcatel-Lucent	344,117	830	0.5
AXA	119,968	1,900	1.2
BNP Paribas	10,255	478	0.3
Boiron	13,550	583	0.4
Cap Gemini	46,242	1,925	1.2
Carrefour	36,810	761	0.5
Compagnie de Saint-Gobain	86,311	2,699	1.7
Credit Agricole	99,141	797	0.5
Danone	19,370	777	0.5
EDF	63,685	1,309	0.8
L'Oreal	7,880	780	0.5
Natixis	410,518	1,464	0.9
Plastic-Omnium	60,947	934	0.6
Renault	22,193	1,152	0.7
Sanofi	54,654	3,266	2.1
Societe Generale	63,107	2,161	1.4
Technicolor	212,488	640	0.4
Thales	38,060	1,492	0.9
TOTAL S.A.	130,161	4,486	2.8
Valeo	18,134	1,208	0.8
Switzerland – 10.0% (11.7%)			
Bossard	8,576	1,256	0.8
Burckhardt Compression	6,048	1,659	1.1
Galenica	2,251	1,297	0.8
Leonteq	15,132	1,195	0.8
Implenia	28,311	1,218	0.8
Novartis	66,797	3,205	2.0
Roche (Genusscheine)	18,888	3,124	2.0
Swiss Re	17,895	939	0.6
P/F Bakkafröst	191,524	1,727	1.1
Italy – 7.1% (6.4%)			
Astaldi	136,918	761	0.5
Azimut	106,456	1,882	1.2
Banca IFIS	118,575	1,153	0.7
Enel	887,830	2,425	1.5
ENI	168,762	2,316	1.5
ERG	164,665	1,379	0.9
Mediobanca	238,230	1,321	0.8
Sweden – 5.8% (8.9%)			
Bergman & Beving 'B'	81,008	964	0.6
Bilia 'A'	56,127	865	0.5
Finnvedenbulten	209,858	1,100	0.7
Hexpol 'B'	21,078	905	0.6
Loomis 'B'	81,275	1,161	0.7
NCC 'B'	28,977	562	0.4
Swedbank 'A'	81,630	1,287	0.8
TeliaSonera	251,768	1,126	0.7
Trelleborg 'B'	100,041	1,211	0.8

Investment	Holding	Market value £'000	Total net assets %
Netherlands – 5.5% (7.0%)			
Aegon	259,926	1,373	0.9
Delta Lloyd	68,980	1,074	0.7
ING Groep	345,598	2,764	1.8
PostNL	274,979	931	0.6
Unilever	101,882	2,288	1.5
Denmark – 4.9% (5.8%)			
AP Moller-Maersk 'B'	114	777	0.5
D/S Norden	16,523	478	0.3
DFDS	25,769	1,188	0.8
FLSmidth	23,582	761	0.5
Matas	69,825	1,151	0.7
Pandora	47,675	1,647	1.0
Topdanmark	54,347	872	0.6
Vestas Wind Systems	41,144	821	0.5
Spain – 4.8% (3.1%)			
Abengoa	389,133	776	0.5
Banco Santander	212,919	1,104	0.7
Gamesa	75,272	488	0.3
Grifols 'A'	23,579	741	0.5
Grifols 'B'	55,658	1,318	0.8
Jazztel	175,618	1,316	0.8
Repsol	133,598	1,908	1.2
Ireland – 3.2% (6.0%)			
Bank of Ireland	5,488,759	1,310	0.8
DCC	15,594	431	0.3
F.B.D.	67,057	981	0.6
Glanbia	170,553	1,517	1.0
Smurfit Kappa Group	54,374	773	0.5
Norway – 2.9% (6.8%)			
Frontline	169,559	429	0.3
Golden Ocean	391,184	487	0.3
Hexagon Composites	412,418	957	0.6
SpareBank 1 SMN Primary capital certificate	244,136	1,369	0.9
Yara International	47,790	1,190	0.8
Belgium – 2.6% (1.5%)			
Anheuser-Busch InBev	40,837	2,346	1.5
Delhaize Group	44,342	1,729	1.1
Finland – 2.0% (0.0%)			
Cramo	54,093	643	0.4
Nokia	173,558	738	0.5
Sampo 'A'	60,482	1,704	1.1
Portugal – 1.6% (0.8%)			
CTT-Correios	291,459	1,600	1.0
Mota-Engil	208,556	786	0.5
Mota-Engil Rights	606,053	200	0.1
Austria – 0.6% (3.6%)			
Voestalpine	36,703	985	0.6
Forward currency contracts GBP Hedged share classes – 0.1% ((0.5%))			
Danish Krone			
Buy DKK 5,234,195 sell £578,346 dated 18/02/14	(1)	-	
Sell DKK 13,119,783 buy £1,759,038 dated 18/02/14	-	-	
Sell DKK 1,276,345 buy £139,911 dated 18/02/14	(1)	-	
Euro			
Buy €143,995 sell £118,089 dated 18/02/14	-	-	
Buy €1,253,834 sell £1,038,545 dated 18/02/14	(6)	-	
Sell €279,846,677 buy £23,211,236 dated 18/02/14	172	0.1	
Sell €318,701 buy £261,206 dated 18/02/14	(1)	-	
Norwegian Krone			
Buy NOK 2,827,029 sell £277,844 dated 18/02/14	(5)	-	
Sell NOK 11,557,750 buy £1,388,217 dated 18/02/14	26	-	
Swedish Krone			
Buy SEK 814,273 sell £76,396 dated 18/02/14	(1)	-	
Sell SEK 1,595,657 buy £148,588 dated 18/02/14	1	-	
Sell SEK 14,326,604 buy £1,629,614 dated 18/02/14	12	-	
Swiss Franc			
Buy CHF 122,744 sell £82,431 dated 18/02/14	-	-	
Sell CHF 202,522 buy £137,172 dated 18/02/14	1	-	
Sell CHF 115,682 buy £77,400 dated 18/02/14	-	-	
Sell CHF 2,284,922 buy £1,849,765 dated 18/02/14	(16)	-	

Portfolio statement – continued

As at 31 January 2014

Investment	Holding	Market value £'000	Total net assets %
Futures – (0.1%) (0.0%)			
Euro Stoxx 50 Futures Mar 2014	235	(176)	(0.1)
Liquidity funds – 6.8% (0.0%)			
JPM Euro Liquidity 'X' Flex (Distribution)^\$	13,031,449	10,727	6.8
Investment assets (including investment liabilities)		155,581	98.8
Net other assets		1,929	1.2
Net assets		157,510	100.0

Unless otherwise stated the above securities are admitted to official stock exchange listings or trade on a regulated market.

The comparative percentage figures in brackets are at 31 January 2013.

^ Deemed to be investment in related parties of the ACD

\$ Approved security as defined in the Collective Investment Schemes sourcebook

Counterparty exposure

Counterparty	Forward currency contracts £'000	Total £'000
ANZ	128	128
Barclays	1	1
CitiBank	(3)	(3)
Goldman Sachs	(7)	(7)
Toronto Dominion Bank	64	64
UBS	(1)	(1)
Westpac Banking Corp	0	0

At the balance sheet date, there was no collateral received by the fund from the above counterparties.

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.

Portfolio movements

For the year ending 31 January 2014

	£'000		£'000
Total of all purchases for the year (Note 10)	334,474	Total of all sales for the year (Note 10)	282,086
Major purchases	Cost	Major sales	Proceeds
JPM Euro Liquidity 'X' Flex (Distribution)^	33,804	JPM Euro Liquidity 'X' Flex (Distribution)^	22,802
Sanofi	5,938	Deutsche Lufthansa	5,008
Novartis	5,843	Volkswagen Non-Voting Preference	4,987
TOTAL S.A.	5,788	Auriga Industries 'B'	4,957
Deutsche Lufthansa	5,323	EADS	4,847
AXA	4,922	Smurfit Kappa Group	4,764
Roche (Genusscheine)	4,620	AXA	4,760
Auriga Industries 'B'	4,504	Credit Agricole	4,705
BNP Paribas	4,310	Pandora	4,156
ING Groep	4,161	BNP Paribas	3,878
EADS	3,938	Marine Harvest	3,819
Compagnie de Saint-Gobain	3,923	Swedbank 'A'	3,760
Pandora	3,833	Michelin	3,663
Repsol	3,642	Syngenta	3,477
P/F Bakkafrøst	3,451	Aegon	3,368
Daimler	3,389	Orange	2,943
Societe Generale	3,322	Bank of Ireland	2,902
Vestas Wind Systems	3,319	Vestas Wind Systems	2,868
BASF	3,281	Novo-Nordisk 'B'	2,852
DFDS	3,277	DFDS	2,835

^ Deemed to be investment in related parties of the ACD

Financial statements

Statement of total return

For the year ending 31 January

	2014	2013
£'000	£'000	£'000
Income		
Net capital gains (Note 1)	14,998	17,801
Revenue (Note 2)	2,881	2,783
Expenses (Note 3)	(1,626)	(1,360)
Finance costs: Interest (Note 5)	(2)	(1)
Net revenue before taxation	1,253	1,422
Taxation (Note 4)	(245)	(212)
Net revenue after taxation	1,008	1,210
Total return before distributions	16,006	19,011
Finance costs: Distributions (Note 5)	(1,016)	(1,214)
Change in net assets attributable to shareholders from investment activities	14,990	17,797

Statement of change in net assets attributable to shareholders

For the year ending 31 January

	2014	2013
£'000	£'000	£'000
Opening net assets attributable to shareholders	89,565	92,392
Amounts receivable on issue of shares	77,716	7,185
Amounts payable on cancellation of shares	(26,414)	(28,707)
	51,302	(21,522)
Change in net assets attributable to shareholders from investment activities (see above)	14,990	17,797
Retained distributions on accumulation shares	1,655	900
Stamp duty reserve tax	(2)	(2)
Closing net assets attributable to shareholders	157,510	89,565

Balance sheet

As at 31 January

	2014	2013
£'000	£'000	£'000
ASSETS		
Investment assets	155,788	88,950
Debtors (Note 7)	6,508	4,191
Cash and bank balances (Note 8)	2,996	392
Total other assets	9,504	4,583
Total assets	165,292	93,533
LIABILITIES		
Investment liabilities	(207)	(416)
Creditors (Note 9)	(7,405)	(3,534)
Distribution payable on income shares	(170)	(18)
Total other liabilities	(7,575)	(3,552)
Total liabilities	(7,782)	(3,968)
Net assets attributable to shareholders	157,510	89,565

The notes to these financial statements are shown on pages 91 to 93.

Notes to the financial statements for the year ending 31 January 2014

1. Net capital gains

	2014	2013
	£'000	£'000
Currency gains	2	351
Derivative contracts	(104)	330
Forward currency contracts	846	(375)
Non-derivative securities	14,254	17,495
Net capital gains	<u>14,998</u>	<u>17,801</u>

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

2. Revenue

	2014	2013
	£'000	£'000
Franked income from UK equity investments	28	36
Income from Liquidity funds	2	3
Income from overseas equity investments	2,800	2,586
Interest on bank and term deposits	1	-
Stock dividends	14	93
Stocklending income	36	65
Total revenue	<u>2,881</u>	<u>2,783</u>

3. Expenses

	2014	2013
	£'000	£'000
Payable to the ACD or associate of the ACD:		
ACD fee	1,445	1,214
Fixed expenses	181	146
Total expenses	<u>1,626</u>	<u>1,360</u>

4. Taxation

	2014	2013
	£'000	£'000
a) Analysis of charge in the year		
Overseas tax provision	(139)	76
Overseas tax suffered	384	136
Current year tax charge (Note 4b)	<u>245</u>	<u>212</u>

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	1,253	1,422
Corporation tax at 20%	<u>251</u>	<u>284</u>

Effects of:

Dividends not subject to corporation tax	(569)	(513)
Excess expenses for which no relief taken	318	229
Overseas tax provision	(139)	76
Overseas tax suffered	384	136
	<u>(6)</u>	<u>(72)</u>
Current year tax charge (Note 4a)	<u>245</u>	<u>212</u>

No deferred tax asset has been recognised in the financial statements. At the year end date, the Fund had a potential unrecognised deferred tax asset of £1,115,292 (31.01.13: £797,463) in relation to £5,576,462 (31.01.13: £3,987,316) 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.

5. Finance costs

Distributions

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

	2014	2013
	£'000	£'000
Final dividend distribution	1,825	918
Add: Amounts payable on cancellation of shares	277	400
Deduct: Amounts receivable on issue of shares	(1,086)	(104)
Net distributions for the year	<u>1,016</u>	<u>1,214</u>
Interest	2	1
Total finance costs	<u>1,018</u>	<u>1,215</u>

Details of the distribution per share are set out on page 94.

6. Movement between net revenue after taxation and distributions

	2014	2013
	£'000	£'000
Net revenue after taxation	1,008	1,210
Add: Undistributed revenue brought forward	2	6
Deduct: Undistributed revenue carried forward	(6)	(2)
Equalisation on conversions	12	-
	<u>1,016</u>	<u>1,214</u>

7. Debtors

	2014	2013
	£'000	£'000
Accrued income	-	2
Due from the ACD for shares created	3,536	1,817
Overseas tax recoverable	187	142
Sales awaiting settlement	2,785	2,230
Total debtors	<u>6,508</u>	<u>4,191</u>

8. Cash and bank balances

	2014	2013
	£'000	£'000
Amounts held at futures clearing houses and brokers	985	-
Cash and bank balances	2,011	392
Total cash and bank balances	<u>2,996</u>	<u>392</u>

9. Creditors

	2014	2013
	£'000	£'000
Accrued expenses	197	121
Due to the ACD for shares cancelled	44	57
Purchases awaiting settlement	7,164	3,356
Total creditors	<u>7,405</u>	<u>3,534</u>

Notes to the financial statements – continued

10. Portfolio transaction costs

	2014 £'000	2013 £'000
Analysis of total purchase costs		
Purchases in year before transaction costs	333,888	278,784
Commissions	349	222
Taxes	237	108
Total purchase costs	586	330
Gross purchases total	334,474	279,114
Analysis of total sale costs		
Gross sales before transaction costs	282,371	301,433
Commissions	(285)	(206)
Total sale costs	(285)	(206)
Total sales net of transaction costs	282,086	301,227

11. 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 £3,294,783 (31.01.13: £1,638,699). Details of related party transactions are given under note 13 on page 413.

Investments considered to be related parties have been identified in the portfolio statement on pages 87 to 88 and the revenue from these investments was £1,764 (31.01.13: £3,288).

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 £22,568 (31.01.13: £10,652). Commission was paid to the associated company JPMorgan Securities Ltd.

The gross stocklending income received was £41,722 (31.01.13: £77,116), with fees deducted of £6,175 (31.01.13: £11,586).

The following parties held a material interest in the Fund at the year end date:

- Scottish Widows Unit Funds Limited 13.45% (31.01.13: 16.18%)
- Scottish Equitable 11.65% (31.01.13: 19.99%)

12. Stocklending

As at 31 January 2014 the aggregate value of securities on loan was £489,433 (31.01.13: £1,563,084). The Depositary held £519,290 (31.01.13: £1,633,766) of collateral assets on behalf of the Fund in respect thereof. The nature of the collateral was 66.5% bonds and 33.5% cash.

13. 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.

Currency	Total £'000	Net foreign currency assets/(liabilities)		
		Forward exchange contracts £'000	Monetary exposures £'000	Non- monetary exposures £'000
31.01.14				
Euro	102,015	(16,695)	669	118,041
Swiss Franc	10,181	(1,671)	(2,041)	13,893
Swedish Krona	8,018	(1,402)	239	9,181
Danish Krone	6,686	(1,011)	2	7,695
Norwegian Krone	5,621	(844)	63	6,402
31.01.13				
Euro	49,956	(7,947)	1,936	55,967
Swiss Franc	9,597	(1,468)	92	10,973
Norwegian Krone	5,254	(773)	(102)	6,129
Swedish Krona	5,184	(784)	(2,001)	7,969
Danish Krone	4,519	(647)	-	5,166

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

Interest rate risk

The tables below detail the interest rate profile of the Fund's assets and liabilities as at the year end.

Currency	Total assets £'000	Forward exchange contracts £'000	Floating rate financial assets £'000	Financial assets not carrying any interest
				£'000
31.01.14				
Euro	105,938	(16,695)	13,636	108,997
UK Sterling	26,254	21,804	50	4,400
Swiss Franc	12,291	(1,671)	36	13,926
Swedish Krona	8,295	(1,402)	1	9,696
Danish Krone	6,686	(1,011)	-	7,697
Norwegian Krone	5,621	(844)	-	6,465
31.01.13				
Euro	50,403	(7,947)	367	57,983
UK Sterling	15,795	11,220	27	4,548
Swiss Franc	9,767	(1,468)	(2)	11,237
Swedish Krona	7,199	(784)	-	7,983
Norwegian Krone	5,434	(773)	-	6,207
Danish Krone	4,519	(647)	-	5,166

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

The floating rate financial assets comprise investments in variable interest rate paying corporate debt and bank balances that bear interest at rates based on LIBOR or its overseas equivalent.

Notes to the financial statements – continued

Currency	Total liabilities £'000	Floating rate financial liabilities £'000	Financial liabilities not carrying any interest £'000
31.01.14			
Euro	3,923	-	3,923
Swiss Franc	2,110	-	2,110
UK Sterling	1,265	-	1,265
Swedish Krona	277	-	277
31.01.13			
Swedish Krona	2,015	-	2,015
UK Sterling	740	-	740
Euro	447	-	447
Norwegian Krone	180	-	180
Swiss Franc	170	-	170

For consideration of other risks including liquidity, pricing and credit risk, please refer to the notes to the aggregated financial statements, pages 413 to 414.

14. 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 fixed expenses charge are shown below.

	ACD fee	Fixed expenses
Class A shares:	1.50%	0.18%
Class B shares:	1.00%	0.18%
Class C shares:	0.75%	0.18%

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 86. All classes have the same rights on winding up.

15. Derivatives

The A-Class Accumulation GBP Hedge share class and the C-Class Accumulation GBP Hedge share class enter into derivative transactions in the form of forward currency contracts. The share classes may use derivatives for investment purpose or efficient portfolio management including hedging, where appropriate. The commitment approach has been used to calculate the global exposure.

Further information on the derivative risks can be found in the notes to the aggregated financial statements on page 414.

16. Contingent liabilities and capital commitments

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

	2014 £'000	2013 £'000
Nil/Part Paid Rights	499	-

Distribution table

Final distribution in pence per share

Group 1 – Shares purchased prior to 1 February 2013

Group 2 – Shares purchased 1 February 2013 to 31 January 2014

	Gross revenue	Tax at 10%	Net revenue	Equalisation	Distribution payable 30.04.14	Distribution paid 30.04.13
A-Class Accumulation Shares						
Group 1	1.666667	0.166667	1.500000	-	1.500000	1.250000
Group 2	0.000000	0.000000	0.000000	1.500000	1.500000	1.250000
A-Class Accumulation GBP Hedged Shares						
Group 1	1.622222	0.162222	1.460000	-	1.460000	1.280000
Group 2	0.060069	0.006007	0.054062	1.405938	1.460000	1.280000
A-Class Income Shares						
Group 1	0.788889	0.078889	0.710000	-	0.710000	0.580000
Group 2	0.000000	0.000000	0.000000	0.710000	0.710000	0.580000
B-Class Accumulation Shares						
Group 1	4.377778	0.437778	3.940000	-	3.940000	1.540000
Group 2	0.000000	0.000000	0.000000	3.940000	3.940000	1.540000
B-Class Income Shares						
Group 1	1.822222	0.182222	1.640000	-	1.640000	1.560000
Group 2	1.822222	0.182222	1.640000	0.000000	1.640000	1.560000
C-Class Accumulation Shares						
Group 1	2.800000	0.280000	2.520000	-	2.520000	1.460000
Group 2	0.000000	0.000000	0.000000	2.520000	2.520000	1.460000
C-Class Accumulation GBP Hedged Shares						
Group 1	2.155556	0.215556	1.940000	-	1.940000	-
Group 2	0.000000	0.000000	0.000000	1.940000	1.940000	-
C-Class Income Shares						
Group 1	1.300000	0.130000	1.170000	-	1.170000	0.670000
Group 2	0.000000	0.000000	0.000000	1.170000	1.170000	0.670000

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 Consumer Trends Fund

Investment objective and policy

To provide long term capital growth by investing primarily in companies throughout the world benefiting from consumer driven opportunities.

Investments may include, but are not limited to, companies providing goods and services relating to consumer related activities, wealth, leisure, lifestyle, health and wellness. Issuers of these securities may be located in any country and the Fund may invest significantly in Emerging Markets and in smaller companies (see section 11.8 and 11.11 – Risk Warnings of the Prospectus).

Financial Derivative Instruments (derivatives) may be used for the purposes of Efficient Portfolio Management, including hedging, where appropriate (see section 11.14 – Derivatives of the 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.

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.

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 will be concentrated in companies benefiting from consumer driven opportunities 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

Global equities rose in the 12-month period on the back of a pickup in global economic growth.

The Fund ended the period in positive territory, but lagged the benchmark. Positive performance came from across a number of themes, with the “mobility” and health & wellness themes contributing the most. In “mobility,” holdings in Hewlett-Packard and Microsoft were key, as the share prices rose 36% and 44% respectively. On an absolute basis, the best performing information technology stock was Shanda Games, whose share price rise by over 100% in the 12 months after announcing the release of new games. Our best performing health care stock, WuXi PharmaTech, is also Chinese-related. WuXi, whose share price rose 95%, has benefited from health care companies outsourcing their research & development, as China attempts to increase the number of drugs approved there. On the negative side, holdings that detracted were predominantly Chinese and Indian financial stocks, such as Yes Bank and China Merchants Bank. Indian bank stocks slumped in general as the Reserve Bank of India raised interest rates and tightened lenders’ access to cash in an effort to stabilise the rupee.

Fund outlook

Growth in the developed world is gathering momentum, with a significant majority of countries benefiting from expansion in manufacturing activity.

12 month performance as at 31 January

	2014	2013	2012	2011	2010
JPM Global Consumer Trends					
A-Class Acc	7.3%	10.8%	-6.1%	17.4%	41.8%
JPM Global Consumer Trends					
B-Class Inc	7.8%	11.3%	-	-	-
JPM Global Consumer Trends					
C-Class Acc	8.1%	11.7%	-5.3%	-	-
Benchmark Index	12.0%	15.3%	-1.5%	19.3%	22.9%
Comparator	13.1%	21.1%	7.1%	20.3%	23.9%

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.

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

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

Source: J.P. Morgan.

The Fund is not managed with reference to the indices shown. They are provided for comparison purposes only. The benchmark – the MSCI World Index – shows how the Fund has performed against the broader global market. The Comparator – MSCI World Index Consumer Discretionary/MSCI World Index Consumer Staples – Market Cap Weighted – is a narrower composite index of consumer sectors.

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.

Fund statistics

Risk and Reward Profile	6*
Fund size	£190.4m
Benchmark Index	MSCI World Index (Net)
Comparator	MSCI World Index Consumer Discretionary/ MSCI World Index Consumer Staples – Market Cap Weighted (Net)
Fund charges	
A-Class	Initial 3.00%, Annual 1.50%
B-Class	Initial Nil, Annual 1.00%
C-Class	Initial Nil, Annual 0.75%

Top ten holdings (excluding Liquidity funds) %

Kering	3.4
BG Group	3.2
Citigroup	3.0
Standard Chartered	2.8
Baxter International	2.7
Novartis	2.6
Sanofi	2.5
China Construction Bank 'H'	2.5
Teva Pharmaceutical Industries ADR	2.4
Johnson & Johnson	2.4

Geographical breakdown %

United States of America	32.9
United Kingdom	16.3
China	14.7
France	10.1
Switzerland	6.6
Hong Kong	5.1
India	3.2
South Korea	3.0
Israel	2.4
Sweden	1.7
Liquidity funds	1.7
Germany	1.0
Japan	0.9
Singapore	0.5
Indonesia	0.5
Net other liabilities	(0.6)

Highest/lowest share price and distribution record

Calendar year	Highest share price	Lowest share price	Distribution per share (net)
A-Class Accumulation Shares			
2009	63.15p	37.62p	0.66p
2010	75.34p	61.53p	0.32p
2011	75.64p	57.26p	0.77p
2012	73.55p	63.97p	0.49p
2013	85.08p	70.11p	0.38p
2014 ^A	84.58p	80.36p	0.45p
A-Class Income Shares			
2009	62.22p	37.07p	0.66p
2010	73.87p	60.61p	0.31p
2011	74.16p	55.55p	0.75p
2012	70.83p	61.61p	0.47p
2013	81.53p	67.53p	0.38p
2014 ^A	81.04p	77.01p	0.43p
B-Class Accumulation Shares^B			
2012	70.07p	67.10p	-
2013	85.52p	70.18p	0.48p
2014 ^A	85.09p	80.86p	0.84p
B-Class Income Shares^C			
2011	102.8p	78.16p	-
2012	99.45p	86.52p	1.08p
2013	114.9p	95.11p	0.89p
2014 ^A	114.3p	108.6p	1.05p
C-Class Accumulation Shares^D			
2010	115.5p	95.74p	-
2011	116.1p	88.34p	0.97p
2012	113.9p	99.24p	1.58p
2013	133.4p	109.2p	1.44p
2014 ^A	132.8p	126.2p	1.61p
C-Class Income Shares^E			
2011	103.7p	78.95p	-
2012	100.4p	87.49p	1.26p
2013	116.2p	96.32p	1.28p
2014 ^A	115.6p	109.9p	1.40p

^A To 31 January 2014.

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

^C B-Class Income Shares were launched on 14 February 2011.

^D C-Class Accumulation Shares were launched on 9 June 2010.

^E C-Class Income Shares were launched on 29 March 2011.

Portfolio turnover rate

31.01.13	117.8%
31.01.14	132.2%

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

Portfolio transaction costs

	Broker Commissions	Transaction Taxes	Total
31.01.13	0.25%	0.13%	0.38%
31.01.14	0.18%	0.12%	0.30%

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

Stamp duty reserve tax

31.01.13	0.02%
31.01.14	0.02%

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

Net asset values and Ongoing charges

Date	Net asset value per share class £'000	Number of shares	Net asset value per share	Ongoing charges
A-Class Accumulation Shares				
31.01.12	63,913	94,090,461	67.93p	1.66%
31.01.13	59,820	79,661,102	75.09p	1.68%
31.01.14	47,305	58,590,958	80.74p	1.68%
A-Class Income Shares				
31.01.12	11,366	17,373,832	65.42p	1.65%
31.01.13	55,121	76,599,122	71.96p	1.68%
31.01.14	75,358	97,949,572	76.94p	1.68%
B-Class Accumulation Shares				
31.01.13	56	74,102	75.20p	1.18%
31.01.14	1,198	1,474,851	81.24p	1.18%
B-Class Income Shares				
31.01.12	2,285	2,489,770	91.79p	1.15%
31.01.13	2,208	2,185,108	101.0p	1.18%
31.01.14	96	88,735	108.1p	1.18%
C-Class Accumulation Shares				
31.01.12	14,288	13,598,329	105.1p	0.87%
31.01.13	13,957	11,920,795	117.1p	0.93%
31.01.14	37,645	29,688,756	126.8p	0.93%
C-Class Income Shares				
31.01.12	2,004	2,163,389	92.63p	0.87%
31.01.13	7,488	7,344,239	102.0p	0.93%
31.01.14	28,839	26,451,277	109.0p	0.93%

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

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

Portfolio statement

As at 31 January 2014

Investment	Holding	Market value £'000	Total net assets %
United States of America - 32.9% (36.1%)			
Allergan	49,017	3,427	1.8
Anadarko Petroleum	70,255	3,477	1.8
Baxter International	122,260	5,145	2.7
Cisco Systems	250,442	3,344	1.8
Citigroup	196,087	5,753	3.0
Citrix Systems	32,798	1,062	0.6
Coach	51,983	1,524	0.8
eBay	29,737	961	0.5
EMC	251,733	3,764	2.0
Google 'A'	6,031	4,153	2.2
Humana	31,550	1,881	1.0
Johnson & Johnson	85,374	4,641	2.4
Lam Research	91,634	2,853	1.5
Lululemon Athletica	48,201	1,371	0.7
Metlife	94,693	2,863	1.5
Microsoft	146,008	3,270	1.7
Pfizer	233,109	4,363	2.3
Qualcomm	66,637	2,968	1.6
Teradyne	276,310	3,205	1.7
UnitedHealth Group	57,990	2,564	1.3
United Kingdom - 16.3% (13.0%)			
APR Energy	153,677	1,317	0.7
Barclays	1,442,723	3,864	2.0
BG Group	592,552	6,023	3.2
Burberry Group	298,378	4,204	2.2
GlaxoSmithKline	230,841	3,586	1.9
Glencore Xstrata	841,114	2,695	1.4
Just Retirement Group	886,565	2,159	1.1
Partnership Assurance Group	550,140	1,778	1.0
Standard Chartered	432,686	5,363	2.8
China - 14.7% (22.4%)			
Agile Property	3,174,000	1,768	0.9
Baidu ADS	32,393	3,163	1.7
Beauty China†	133,000	-	-
China Construction Bank 'H'	11,174,000	4,704	2.5
China Hongxing Sports†	22,764,000	-	-
China Life Insurance 'H'	597,000	988	0.5
China Merchants Bank 'H'	3,358,578	3,600	1.9
China Yurun Food Group	258,000	92	-
Hengdeli	11,822,800	1,508	0.8
Industrial & Commercial Bank of China 'H'	3,774,000	1,420	0.7
iSoftStone ADS	250,012	799	0.4
New World Department Store China	1,591,000	487	0.3
Oriental Watch	6,651,680	1,036	0.5
Pactera Technology International ADR	178,464	776	0.4
Ports Design	2,712,500	1,182	0.6
Sands China	122,800	575	0.3
Shanda Games ADR 'A'	755,877	2,939	1.5
Sinopharm Group 'H'	1,882,400	3,226	1.7
France - 10.1% (6.7%)			
AXA	137,300	2,174	1.1
Kering	53,243	6,412	3.4
LVMH Moet-Hennessy Louis Vuitton	18,841	2,007	1.1
Sanofi	80,941	4,837	2.5
Technip	71,283	3,715	2.0
Switzerland - 6.6% (6.0%)			
Compagnie Financiere Richemont 'A'	67,629	3,789	2.0
Nestle	42,759	1,872	1.0
Novartis	104,290	5,004	2.6
UBS	158,867	1,898	1.0
Hong Kong - 5.1% (1.4%)			
Belle International	1,559,000	1,021	0.5
Cheung Kong	206,000	1,854	1.0
China Overseas Land & Investments	1,160,000	1,897	1.0
China Resources Land	660,000	940	0.5
Country Garden	4,494,000	1,498	0.8
Emperor Watch And Jewellery	36,940,000	1,445	0.8
Wharf	207,000	857	0.5
India - 3.2% (2.3%)			
Axis Bank	135,874	1,479	0.8
Federal Bank	1,219,620	941	0.5
ICICI Bank	195,866	1,878	1.0
Yes Bank	608,256	1,816	0.9

Investment	Holding	Market value £'000	Total net assets %
South Korea - 3.0% (1.4%)			
Hyundai Motor	22,671	2,977	1.6
Samsung Electronics	3,893	2,796	1.4
Israel - 2.4% (2.8%)			
Teva Pharmaceutical Industries ADR	168,030	4,654	2.4
Sweden - 1.7% (0.0%)			
Svenska Cellulosa 'B'	184,702	3,157	1.7
Germany - 1.0% (0.0%)			
Volkswagen Non-Voting Preference	12,526	1,913	1.0
Japan - 0.9% (0.0%)			
Nitto Denko	63,100	1,725	0.9
Singapore - 0.5% (1.1%)			
Jardine Matheson	30,400	984	0.5
Indonesia - 0.5% (0.0%)			
Astra International	3,063,500	975	0.5
Liquidity funds - 1.7% (2.5%)			
JPM US Dollar Liquidity 'X' (Distribution)^‡	5,160,553	3,135	1.7
Investment assets		191,491	100.6
Net other liabilities		(1,050)	(0.6)
Net assets		190,441	100.0

Unless otherwise stated the above securities are admitted to official stock exchange listings or trade on a regulated market.

The comparative percentage figures in brackets are at 31 January 2013.

† Suspended security

^ Deemed to be investment in related parties of the ACD

‡ Approved security as defined in the Collective Investment Schemes sourcebook

Portfolio movements

For the year ending 31 January 2014

	£'000		£'000
Total of all purchases for the year (Note 10)	245,896	Total of all sales for the year (Note 10)	202,962
Major purchases	Cost	Major sales	Proceeds
JPM USD Liquidity 'X' (Distribution)^	71,303	JPM USD Liquidity 'X' (Distribution)^	71,408
Standard Chartered	6,087	Hewlett Packard	6,899
Barclays	5,781	Merck & Co	6,878
Citigroup	5,762	AstraZeneca	5,578
Kering	5,496	WuXi PharmaTech ADS	5,202
Baxter International	5,101	Royal Dutch Shell 'A'	5,072
Technip	4,984	Apple	4,461
BG Group	4,957	Perfect World ADR 'B'	4,105
Burberry Group	4,778	Morgan Stanley	3,954
Johnson & Johnson	4,653	Broadcom 'A'	3,925
Allergan	4,491	Microsoft	3,722
Broadcom 'A'	4,434	Sands China	3,511
Anadarko Petroleum	3,806	Mallinckrodt	3,494
Compagnie Financiere Richemont 'A'	3,738	TOTAL S.A.	3,470
China Construction Bank 'H'	3,632	Apache	3,452
Hyundai Motor	3,016	Baidu ADS	3,410
Glencore Xstrata	2,928	Giant Interactive ADR	3,274
Svenska Cellulosa 'B'	2,915	Credit Suisse Group	3,004
Teradyne	2,839	Expedia	2,950
Qualcomm	2,790	Avago Technologies	2,815

^ Deemed to be investment in related parties of the ACD

Financial statements

Statement of total return

For the year ending 31 January

	2014	2013
£'000	£'000	£'000
Income		
Net capital gains (Note 1)	10,613	9,788
Revenue (Note 2)	4,221	2,231
Expenses (Note 3)	(2,582)	(1,403)
Net revenue before taxation	1,639	828
Taxation (Note 4)	(374)	(226)
Net revenue after taxation	1,265	602
Total return before distributions	11,878	10,390
Finance costs: Distributions (Note 5)	(1,315)	(594)
Change in net assets attributable to shareholders from investment activities	10,563	9,796

Balance sheet

As at 31 January

	2014	2013
£'000	£'000	£'000
ASSETS		
Investment assets	191,491	137,882
Debtors (Note 7)	9,349	8,315
Cash and bank balances (Note 8)	149	236
Total other assets	9,498	8,551
Total assets	200,989	146,433
LIABILITIES		
Creditors (Note 9)	(9,756)	(7,378)
Distribution payable on income shares	(792)	(405)
Total liabilities	(10,548)	(7,783)
Net assets attributable to shareholders	190,441	138,650

The notes to these financial statements are shown on pages 101 to 102.

Statement of change in net assets attributable to shareholders

For the year ending 31 January

	2014	2013
£'000	£'000	£'000
Opening net assets attributable to shareholders	138,650	93,856
Amounts receivable on issue of shares	72,524	77,017
Amounts payable on cancellation of shares	(32,022)	(42,475)
	40,502	34,542
Change in net assets attributable to shareholders from investment activities (see above)	10,563	9,796
Retained distributions on accumulation shares	754	475
Stamp duty reserve tax	(28)	(19)
Closing net assets attributable to shareholders	190,441	138,650

Notes to the financial statements for the year ending 31 January 2014

1. Net capital gains

	2014	2013
	£'000	£'000
Currency losses	(63)	(146)
Non-derivative securities	10,676	9,934
Net capital gains	10,613	9,788

2. Revenue

	2014	2013
	£'000	£'000
Franked income from UK equity investments	626	366
Income from Liquidity funds	11	10
Income from overseas equity investments	3,584	1,854
Interest on bank and term deposits	-	1
Total revenue	4,221	2,231

3. Expenses

	2014	2013
	£'000	£'000
Payable to the ACD or associate of the ACD:		
ACD fee	2,264	1,248
Fixed expenses	318	155
Total expenses	2,582	1,403

4. Taxation

	2014	2013
	£'000	£'000
a) Analysis of charge in the year		
Overseas tax provision	-	3
Overseas tax suffered	374	223
Current year tax charge (Note 4b)	374	226

b) Factors affecting the tax charge for the year

The tax assessed for the year is higher 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	1,639	828
Corporation tax at 20%	328	166
Effects of:		
Dividends not subject to corporation tax	(808)	(427)
Excess expenses for which no relief taken	485	264
Overseas tax expensed	(5)	(3)
Overseas tax provision	-	3
Overseas tax suffered	374	223
	46	60
Current year tax charge (Note 4a)	374	226

No deferred tax asset has been recognised in the financial statements. At the year end date, the Fund had a potential unrecognised deferred tax asset of £1,135,734 (31.01.13: £650,716) in relation to £5,678,671 (31.01.13: £3,253,578) 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.

5. Finance costs

Distributions

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

	2014	2013
	£'000	£'000
Final dividend distribution	1,546	880
Add: Amounts payable on cancellation of shares	231	186
Deduct: Amounts receivable on issue of shares	(462)	(472)
Total finance costs	1,315	594

Details of the distribution per share are set out on page 103.

6. Movement between net revenue after taxation and distributions

	2014	2013
	£'000	£'000
Net revenue after taxation	1,265	602
Add: Undistributed revenue brought forward	11	3
Deduct: Undistributed revenue carried forward	(11)	(11)
Equalisation on conversions	50	-
	1,315	594

7. Debtors

	2014	2013
	£'000	£'000
Accrued income	42	59
Due from the ACD for shares created	1,246	7,539
Overseas tax recoverable	97	39
Sales awaiting settlement	7,964	678
Total debtors	9,349	8,315

8. Cash and bank balances

	2014	2013
	£'000	£'000
Cash and bank balances	149	236

9. Creditors

	2014	2013
	£'000	£'000
Accrued expenses	236	163
Due to the ACD for shares cancelled	151	217
Purchases awaiting settlement	9,369	6,998
Total creditors	9,756	7,378

Notes to the financial statements – continued

10. Portfolio transaction costs

	2014 £'000	2013 £'000
Analysis of total purchase costs		
Purchases in year before transaction costs	245,547	173,098
Commissions	139	108
Taxes	210	94
Total purchase costs	349	202
Gross purchases total	245,896	173,300
Analysis of total sale costs		
Gross sales before transaction costs	203,088	138,438
Commissions	(112)	(77)
Taxes	(14)	(21)
Total sale costs	(126)	(98)
Total sales net of transaction costs	202,962	138,340

11. 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 £859,004 (31.01.13: £7,159,050). Details of related party transactions are given under note 13 on page 413.

Investments considered to be related parties have been identified in the portfolio statement on page 98 and the revenue from these investments was £9,738 (31.01.13: £10,394).

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 £62,434 (31.01.13: £31,047). 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 Acc 22075 55.15% (31.01.13 34.49%)

12. 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.

Currency	Net foreign currency assets/(liabilities)		
	Total £'000	Monetary exposures £'000	Non-monetary exposures £'000
31.01.14			
US Dollar	79,188	147	79,041
Hong Kong Dollar	29,068	(1,029)	30,097
Euro	21,067	9	21,058
Swiss Franc	13,485	923	12,562
Indian Rupee	6,118	4	6,114
Korean Won	5,815	42	5,773
Swedish Krona	3,158	1	3,157
Japanese Yen	1,725	-	1,725
Indonesian Rupiah	975	-	975
Taiwan Dollar	9	9	-
31.01.13			
US Dollar	69,606	(4,095)	73,701
Hong Kong Dollar	17,588	-	17,588
Euro	9,722	(594)	10,316
Swiss Franc	7,927	(446)	8,373
Indian Rupee	3,232	5	3,227
Korean Won	1,928	6	1,922
Japanese Yen	1,557	-	1,557
South African Rand	1,437	-	1,437
Brazilian Real	1,007	(60)	1,067
Singapore Dollar	693	-	693
Taiwan Dollar	9	9	-

Interest rate risk

At the year end date, 1.7% (31.01.13: 2.7%) of the Fund's net assets by value were interest bearing, carrying a (fixed/floating) rate.

For consideration of other risks including liquidity, pricing and credit risk, please refer to the notes to the aggregated financial statements, pages 413 to 414.

13. 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 fixed expenses charge are shown below.

	ACD fee	Fixed expenses
Class A shares:	1.50%	0.18%
Class B shares:	1.00%	0.18%
Class C shares:	0.75%	0.18%

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 96. All classes have the same rights on winding up.

14. Contingent liabilities and capital commitments

At the balance sheet date there were no contingent liabilities or capital commitments (2013: none).

Distribution table

Final distribution in pence per share

Group 1 – Shares purchased prior to 1 February 2013

Group 2 – Shares purchased 1 February 2013 to 31 January 2014

	Gross revenue	Tax at 10%	Net revenue	Equalisation	Distribution payable 30.04.14	Distribution paid 30.04.13
A-Class Accumulation Shares						
Group 1	0.500000	0.050000	0.450000	-	0.450000	0.380000
Group 2	0.030197	0.003020	0.027177	0.422823	0.450000	0.380000
A-Class Income Shares						
Group 1	0.477778	0.047778	0.430000	-	0.430000	0.380000
Group 2	0.000000	0.000000	0.000000	0.430000	0.430000	0.380000
B-Class Accumulation Shares						
Group 1	0.933333	0.093333	0.840000	-	0.840000	0.480000
Group 2	0.095870	0.009587	0.086283	0.753717	0.840000	0.480000
B-Class Income Shares						
Group 1	1.166667	0.116667	1.050000	-	1.050000	0.890000
Group 2	0.169630	0.016963	0.152667	0.897333	1.050000	0.890000
C-Class Accumulation Shares						
Group 1	1.788889	0.178889	1.610000	-	1.610000	1.440000
Group 2	0.719341	0.071934	0.647407	0.962593	1.610000	1.440000
C-Class Income Shares						
Group 1	1.555556	0.155556	1.400000	-	1.400000	1.280000
Group 2	0.843332	0.084333	0.758999	0.641001	1.400000	1.280000

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.

JPM Global Equity Absolute Alpha Fund

Important information

This Fund was terminated on 20 September 2013.

Highest/lowest share price and distribution record

Calendar year	Highest share price	Lowest share price	Distribution per share (net)
A-Class Accumulation Shares^A			
2011	50.11p	47.33p	-
2012	49.79p	47.45p	0.00p
2013 ^B	51.12p	48.34p	0.00p
A-Class Income Shares^A			
2011	50.11p	47.33p	-
2012	49.79p	47.45p	0.00p
2013 ^B	51.12p	48.35p	0.00p
B-Class Accumulation Shares^C			
2012	49.22p	48.12p	-
2013 ^B	51.12p	48.36p	0.00p
C-Class Accumulation Shares^D			
2012	100.2p	97.96p	-
2013 ^B	104.1p	98.52p	0.00p
C-Class Income Shares^D			
2012	100.2p	97.96p	-
2013 ^B	104.1p	98.47p	0.00p

^A A-Class Accumulation Shares and A-Class Income Shares were launched on 6 July 2011.

^B To 20 September 2013.

^C B-Class Accumulation Shares were launched on 29 October 2012.

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

Net asset values and Ongoing charges

Date	Net asset value per share class £'000	Number of shares	Net asset value per share	Ongoing charges
A-Class Accumulation Shares				
31.01.12	3,069	6,312,594	48.61p	1.43%
31.01.13	3,174	6,387,467	49.70p	1.43%
31.01.14	-	-	-	-
A-Class Income Shares				
31.01.12	3,019	6,211,037	48.61p	1.43%
31.01.13	3,085	6,206,507	49.70p	1.43%
31.01.14	-	-	-	-
B-Class Accumulation Shares				
31.01.13	3	5,500	49.67p	0.98%
31.01.14	-	-	-	-
C-Class Accumulation Shares				
31.01.13	1	1,000	101.2p	0.83%
31.01.14	-	-	-	-
C-Class Income Shares				
31.01.13	1	1,000	101.2p	0.83%
31.01.14	-	-	-	-

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

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

Financial statements

Statement of total return

For the year ending 31 January

	£'000	2014 £'000	£'000	2013 £'000
Income				
Net capital gains (Note 1)		152		155
Revenue (Note 2)	98		79	
Expenses (Note 3)	(55)		(88)	
Performance fee (Note 3)	(8)		-	
Finance costs: Interest (Note 5)	-		(1)	
Net revenue/(expenses) before taxation	35		(10)	
Taxation (Note 4)	(9)		(9)	
Net revenue/(expenses) after taxation		26		(19)
Total return before distributions		178		136
Finance costs: Distributions (Note 5)		19		-
Change in net assets attributable to shareholders from investment activities		197		136

Balance sheet

As at 31 January

	£'000	2014 £'000	£'000	2013 £'000
ASSETS				
Investment assets		-		3,891
Debtors (Note 7)	2		118	
Cash and bank balances (Note 8)	5		2,564	
Total other assets		7		2,682
Total assets		7		6,573
LIABILITIES				
Investment liabilities		-		(276)
Creditors (Note 9)	(7)		(33)	
Total other liabilities		(7)		(33)
Total liabilities		(7)		(309)
Net assets attributable to shareholders		-		6,264

The notes to these financial statements are shown on pages 106 to 107.

Statement of change in net assets attributable to shareholders

For the year ending 31 January

	£'000	2014 £'000	£'000	2013 £'000
Opening net assets attributable to shareholders		6,264		6,088
Amounts receivable on issue of shares	5		58	
Amounts payable on cancellation of shares	(6,466)		(18)	
		(6,461)		40
Change in net assets attributable to shareholders from investment activities (see above)		197		136
Closing net assets attributable to shareholders		-		6,264

Notes to the financial statements for the year ending 31 January 2014

1. Net capital gains

	2014	2013
	£'000	£'000
Currency losses	(18)	(1)
Derivative contracts	169	(137)
Forward currency contracts	8	(36)
Non-derivative securities	(7)	329
Net capital gains	152	155

2. Revenue

	2014	2013
	£'000	£'000
Franked income from UK equity investments	16	14
Income from contracts for difference	1	(21)
Income from Liquidity funds	1	3
Income from overseas equity investments	76	72
Interest on bank and term deposits	4	11
Total revenue	98	79

3. Expenses

	2014	2013
	£'000	£'000
Payable to the ACD or associate of the ACD:		
ACD fee	48	77
Fixed expenses	7	11
Performance fee	8	-
Total expenses	63	88

4. Taxation

	2014	2013
	£'000	£'000
a) Analysis of charge in the year		
Overseas tax suffered	9	9
Current year tax charge (Note 4b)	9	9

b) Factors affecting the tax charge for the year

The tax assessed for the year is higher 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/(expenses) before taxation	35	(10)
Corporation tax at 20%	7	(2)

Effects of:

Dividends not subject to corporation tax	(17)	(15)
Excess expenses for which no relief taken	10	15
Non-trade deficit set against current year income	-	2
Overseas tax suffered	9	9
	2	11
Current year tax charge (Note 4a)	9	9

No deferred tax asset has been recognised in the financial statements. At the year end date, the Fund had a potential unrecognised deferred tax asset of £32,494 (31.01.13: £22,095) in relation to £162,468 (31.01.13: £110,473) of excess interest distributions 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.

5. Finance costs

Distributions

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

	2014	2013
	£'000	£'000
Final dividend distribution	-	-
Add: Amounts payable on cancellation of shares	(19)	-
Net distributions for the year	(19)	-
Interest	-	1
Total finance costs	(19)	1

Details of the distribution per share are set out on page 108.

6. Movement between net revenue/(expenses) after taxation and distributions

	2014	2013
	£'000	£'000
Net revenue/(expenses) after taxation	26	(19)
Add: Net expense payable from capital	-	19
Deduct: Undistributed revenue carried forward	(45)	-
	(19)	-

7. Debtors

	2014	2013
	£'000	£'000
Accrued income	-	3
Due from brokers on contracts for difference	-	11
Due from the ACD for shares created	-	1
Overseas tax recoverable	2	1
Sales awaiting settlement	-	102
Total debtors	2	118

8. Cash and bank balances

	2014	2013
	£'000	£'000
Cash and bank balances	5	2,564

9. Creditors

	2014	2013
	£'000	£'000
Accrued expenses	7	7
Due to brokers on contracts for difference	-	26
Total creditors	7	33

Notes to the financial statements – continued

10. Portfolio transaction costs

	2014 £'000	2013 £'000
Analysis of total purchase costs		
Purchases in year before transaction costs	888	4,333
Commissions	1	3
Taxes	-	5
Total purchase costs	1	8
Gross purchases total	889	4,341
Analysis of total sale costs		
Gross sales before transaction costs	5,181	2,806
Commissions	(3)	(3)
Total sale costs	(3)	(3)
Total sales net of transaction costs	5,178	2,803

11. 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 (31.01.13: £6,023). Details of related party transactions are given under note 13 on page 413.

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 £2,244 (31.01.13: £1,387). 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:
 - JPMorgan Investments Limited nil (31.01.13: 98.39%)

12. Share classes

The Fund had three share classes; Class A Shares, Class B Shares and Class C Shares. The Authorised Corporate Director's (ACD) fee and fixed expenses charge were as shown below.

	ACD fee	Fixed expenses
Class A shares:	1.25%	0.18%
Class B shares:	0.80%	0.18%
Class C shares:	0.65%	0.18%

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 104. All classes had the same rights on winding up.

13. Contingent liabilities and capital commitments

At the balance sheet date there were no contingent liabilities or capital commitments (2013: none).

Distribution table

Final distribution in pence per share

Group 1 – Shares purchased prior to 1 February 2013

Group 2 – Shares purchased 1 February 2013 to 12 September 2013

	Gross revenue	Tax at 10%	Net revenue	Equalisation	Distribution paid 12.12.13	Distribution paid 30.04.13
A-Class Accumulation Shares						
Group 1	0.000000	0.000000	0.000000	-	0.000000	0.000000
Group 2	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
A-Class Income Shares						
Group 1	0.000000	0.000000	0.000000	-	0.000000	0.000000
Group 2	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
B-Class Accumulation Shares						
Group 1	0.000000	0.000000	0.000000	-	0.000000	0.000000
Group 2	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
C-Class Accumulation Shares						
Group 1	0.000000	0.000000	0.000000	-	0.000000	0.000000
Group 2	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
C-Class Income Shares						
Group 1	0.000000	0.000000	0.000000	-	0.000000	0.000000
Group 2	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000

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 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.

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

Risk profile

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

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

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

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

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

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

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

Fund review

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

Fund outlook

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

12 month performance as at 31 January

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

Fund statistics

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

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

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

All equity indices stated as 'Net' are calculated net of tax as per the standard published approach by the index vendor unless stated otherwise. All performance returns are calculated using the quoted price of the accumulation shares. Performance returns are in Sterling. Source: J.P. Morgan.

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

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

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

Top ten holdings (excluding Liquidity funds) %

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

Geographical breakdown %

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

Highest/lowest share price and distribution record

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

^B To 31 January 2014.

^C B-Class Accumulation Shares were launched on 29 October 2012.

^D C-Class Accumulation Shares and C-Class Income Shares were launched on 20 August 2012.

Portfolio turnover rate

31.01.13	105.8%
31.01.14	140.4%

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

Portfolio transaction costs

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

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

Stamp duty reserve tax

31.01.13	0.00%
31.01.14	0.00%

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

Net asset values and Ongoing charges

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

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

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

Portfolio statement

As at 31 January 2014

Investment	Holding	Market value £'000	Total net assets %
United States of America - 41.2% (37.6%)			
ACE	29,340	1,696	1.0
Allergan	42,413	2,965	1.8
Anadarko Petroleum	60,472	2,992	1.8
Baxter International	111,291	4,683	2.9
Capital One Financial	54,100	2,332	1.4
Cisco Systems	210,228	2,807	1.7
Citigroup	198,787	5,832	3.6
Citrix	28,107	910	0.6
Comcast 'A'	61,552	2,026	1.2
Continental Resources	26,839	1,775	1.1
Ebay	25,505	824	0.5
EMC	228,817	3,421	2.1
Fluor	49,048	2,274	1.4
Freeport-McMoRan Copper & Gold	122,438	2,411	1.5
Google 'A'	6,855	4,721	2.9
Hartford Financial Services Group	84,707	1,737	1.1
Johnson & Johnson	61,351	3,336	2.0
Lululemon Athletica	41,457	1,179	0.7
Metlife	76,494	2,313	1.4
Microsoft	125,125	2,802	1.7
Pfizer	92,829	1,738	1.1
Qualcomm	66,590	2,965	1.8
Teradyne	234,990	2,725	1.7
Time Warner	68,716	2,650	1.6
United Technologies	27,740	1,933	1.2
UnitedHealth Group	51,286	2,268	1.4
United Kingdom - 15.4% (17.5%)			
Barclays	1,252,505	3,354	2.0
BG Group	507,802	5,162	3.1
Glencore Xstrata	758,431	2,430	1.5
Just Retirement Group	803,545	1,957	1.2
Partnership Assurance Group	493,868	1,596	1.0
Premier Oil	785,152	2,106	1.3
Prudential	182,688	2,227	1.4
Standard Chartered	370,683	4,595	2.8
Vodafone Group	839,852	1,862	1.1
France - 9.6% (6.2%)			
AXA	236,005	3,737	2.2
Kering	28,014	3,374	2.1
Renault	29,918	1,554	1.0
Sanofi	65,230	3,898	2.4
Technip	61,146	3,187	1.9
China - 7.5% (6.7%)			
Baidu ADS	27,751	2,710	1.7
China Merchants Bank 'H'	3,198,142	3,428	2.1
China Overseas Land & Investments	398,000	651	0.4
Industrial & Commercial Bank of China 'H'	10,043,000	3,780	2.3
Sinopharm Group 'H'	967,600	1,658	1.0
Switzerland - 7.0% (6.9%)			
Compagnie Financiere Richemont 'A'	58,461	3,275	2.0
Nestle	36,675	1,605	1.0
Novartis	87,118	4,180	2.6
UBS	204,958	2,448	1.4
Germany - 2.8% (7.6%)			
Bayer	27,686	2,207	1.4
Volkswagen Non-Voting Preference	14,984	2,288	1.4
Japan - 2.7% (3.7%)			
Komatsu	221,800	2,830	1.7
Nitto Denko	55,300	1,512	1.0
Israel - 2.5% (2.7%)			
Teva Pharmaceutical Industries ADR	148,922	4,125	2.5
South Korea - 1.9% (0.0%)			
Hyundai Motors	6,336	832	0.5
Samsung Electronics	3,096	2,224	1.4
India - 1.6% (1.6%)			
ICICI Bank	160,709	1,541	0.9
Yes Bank	365,315	1,090	0.7
Netherlands - 1.5% (0.0%)			
NXP Semiconductors	86,754	2,521	1.5
Belgium - 1.4% (2.1%)			
Anheuser-Busch InBev	39,666	2,279	1.4

Investment	Holding	Market value £'000	Total net assets %
Hong Kong - 1.3% (1.1%)			
Emperor Watch And Jewellery	23,160,000	906	0.6
KWG Property Wharf	1,601,500	505	0.3
	177,000	733	0.4
Indonesia - 0.5% (0.5%)			
Bank Rakyat Indonesia	2,149,000	890	0.5
Canada - 0.0% (0.0%)			
JPY Holdings [†]	85,600	-	-
Liquidity funds - 2.5% (4.5%)			
JPM Sterling Liquidity 'X' (Distribution) [^] [§]	4,048,149	4,048	2.5
Investment assets		162,620	99.4
Net other assets		916	0.6
Net assets		163,536	100.0

Unless otherwise stated the above securities are admitted to official stock exchange listings or trade on a regulated market.

The comparative percentage figures in brackets are at 31 January 2013.

[†] Suspended security

[^] Deemed to be investment in related parties of the ACD

[§] Approved security as defined in the Collective Investment Schemes sourcebook

Portfolio movements

For the year ending 31 January 2014

	£'000		£'000
Total of all purchases for the year (Note 10)	166,478	Total of all sales for the year (Note 10)	179,462
Major purchases	Cost	Major sales	Proceeds
JPM Sterling Liquidity 'X' (Distribution)^	43,766	JPM Sterling Liquidity 'X' (Distribution)^	47,241
BG Group	5,893	Hewlett Packard	5,418
Standard Chartered	5,312	Royal Dutch Shell 'B'	4,687
Baxter International	4,849	Unilever	4,004
Technip	4,422	Anritsu	3,660
Allergan	3,783	Broadcom 'A'	3,626
Kering	3,551	Norfolk Southern	3,587
EMC	3,520	Barclays	3,463
Time Warner	3,519	Wells Fargo	3,446
Broadcom 'A'	3,494	Deutsche Bank	3,430
Fluor	3,383	Chevron	3,406
Renault	3,343	Apple	3,377
Johnson & Johnson	3,317	AstraZeneca	3,332
Barclays	2,973	Apache	3,283
Cisco Systems	2,891	Bayer	3,273
Qualcomm	2,849	Baidu ADS	3,191
Komatsu	2,517	Volkswagen Non-Voting Preference	3,130
Freeport-McMoRan Copper & Gold	2,430	Humana	2,944
Teradyne	2,398	Prudential Financial	2,931
UBS	2,376	Cummins	2,903

^ Deemed to be investment in related parties of the ACD

Financial statements

Statement of total return

For the year ending 31 January

	2014	2013
£'000	£'000	£'000
Income		
Net capital gains (Note 1)	11,491	23,256
Revenue (Note 2)	4,205	4,185
Expenses (Note 3)	(2,816)	(2,682)
Net revenue before taxation	1,389	1,503
Taxation (Note 4)	(421)	(421)
Net revenue after taxation	968	1,082
Total return before distributions	12,459	24,338
Finance costs: Distributions (Note 5)	(975)	(1,081)
Change in net assets attributable to shareholders from investment activities	11,484	23,257

Statement of change in net assets attributable to shareholders

For the year ending 31 January

	2014	2013
£'000	£'000	£'000
Opening net assets attributable to shareholders	164,336	161,262
Amounts receivable on issue of shares	3,978	8,333
Amounts payable on cancellation of shares	(17,156)	(29,455)
	(13,178)	(21,122)
Change in net assets attributable to shareholders from investment activities (see above)	11,484	23,257
Retained distributions on accumulation shares	897	941
Stamp duty reserve tax	(3)	(2)
Closing net assets attributable to shareholders	163,536	164,336

Balance sheet

As at 31 January

	2014	2013
£'000	£'000	£'000
ASSETS		
Investment assets	162,620	163,964
Debtors (Note 7)	8,168	1,847
Cash and bank balances (Note 8)	99	1,466
Total other assets	8,267	3,313
Total assets	170,887	167,277
LIABILITIES		
Creditors (Note 9)	(7,339)	(2,933)
Bank overdrafts	-	(1)
Distribution payable on income shares	(12)	(7)
Total liabilities	(7,351)	(2,941)
Net assets attributable to shareholders	163,536	164,336

The notes to these financial statements are shown on pages 115 to 116.

Notes to the financial statements for the year ending 31 January 2014

1. Net capital gains

	2014	2013
	£'000	£'000
Currency (losses)/gains	(105)	89
Non-derivative securities	11,596	23,167
Net capital gains	<u>11,491</u>	<u>23,256</u>

2. Revenue

	2014	2013
	£'000	£'000
Franked income from UK equity investments	864	1,013
Income from Liquidity funds	17	36
Income from overseas equity investments	3,323	3,135
Interest on bank and term deposits	1	1
Total revenue	<u>4,205</u>	<u>4,185</u>

3. Expenses

	2014	2013
	£'000	£'000
Payable to the ACD or associate of the ACD:		
ACD fee	2,514	2,395
Fixed expenses	302	287
Total expenses	<u>2,816</u>	<u>2,682</u>

4. Taxation

	2014	2013
	£'000	£'000
a) Analysis of charge in the year		
Overseas tax suffered	421	421
Current year tax charge (Note 4b)	<u>421</u>	<u>421</u>

b) Factors affecting the tax charge for the year

The tax assessed for the year is higher 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	1,389	1,503
Corporation tax at 20%	<u>278</u>	<u>301</u>

Effects of:		
Dividends not subject to corporation tax	(804)	(801)
Excess expenses for which no relief taken	531	500
Overseas tax suffered	421	421
Relief for overseas tax expensed	(5)	-
	<u>143</u>	<u>120</u>
Current year tax charge (Note 4a)	<u>421</u>	<u>421</u>

No deferred tax asset has been recognised in the financial statements. At the year end date, the Fund had a potential unrecognised deferred tax asset of £5,104,732 (31.01.13: £4,573,974) in relation to £25,523,658 (31.01.13: £22,869,871) 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.

5. Finance costs

Distributions

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

	2014	2013
	£'000	£'000
Final dividend distribution	909	948
Add: Amounts payable on cancellation of shares	96	172
Deduct: Amounts receivable on issue of shares	(30)	(39)
Total finance costs	<u>975</u>	<u>1,081</u>

Details of the distribution per share are set out on page 117.

6. Movement between net revenue after taxation and distributions

	2014	2013
	£'000	£'000
Net revenue after taxation	968	1,082
Add: Undistributed revenue brought forward	1	-
Deduct: Undistributed revenue carried forward	(1)	(1)
Equalisation on conversions	7	-
	<u>975</u>	<u>1,081</u>

7. Debtors

	2014	2013
	£'000	£'000
Accrued income	61	105
Due from the ACD for shares created	35	18
Overseas tax recoverable	153	113
Sales awaiting settlement	7,919	1,611
Total debtors	<u>8,168</u>	<u>1,847</u>

8. Cash and bank balances

	2014	2013
	£'000	£'000
Cash and bank balances	<u>99</u>	<u>1,466</u>

9. Creditors

	2014	2013
	£'000	£'000
Accrued expenses	240	234
Due to the ACD for shares cancelled	177	150
Purchases awaiting settlement	6,922	2,549
Total creditors	<u>7,339</u>	<u>2,933</u>

Notes to the financial statements – continued

10. Portfolio transaction costs

	2014 £'000	2013 £'000
Analysis of total purchase costs		
Purchases in year before transaction costs	166,266	146,809
Commissions	82	70
Taxes	130	91
Total purchase costs	212	161
Gross purchases total	166,478	146,970
Analysis of total sale costs		
Gross sales before transaction costs	179,539	167,722
Commissions	(72)	(90)
Taxes	(5)	(18)
Total sale costs	(77)	(108)
Total sales net of transaction costs	179,462	167,614

11. 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 £381,672 (31.01.13: £365,631). Details of related party transactions are given under note 13 on page 413.

Investments considered to be related parties have been identified in the portfolio statement on page 112 and the revenue from these investments was £16,614 (31.01.13: £36,366).

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 £12,480 (31.01.13: £17,267). 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:

- FNZ (UK) Nominees Ltd 23.98% (31.01.13: 23.33%)

12. 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.

Currency	Net foreign currency assets/(liabilities)		
	Total £'000	Monetary exposures £'000	Non-monetary exposures £'000
31.01.14			
US Dollar	77,647	974	76,673
Euro	22,571	49	22,522
Swiss Franc	12,522	1,013	11,509
Hong Kong Dollar	10,578	(1,082)	11,660
Japanese Yen	4,342	-	4,342
Indian Rupee	2,632	-	2,632
Korean Won	2,238	(818)	3,056
Canadian Dollar	1,745	1,745	-
Indonesian Rupiah	890	-	890
Taiwan Dollar	20	20	-
31.01.13			
US Dollar	70,037	62	69,975
Euro	23,749	(2,444)	26,193
Swiss Franc	11,327	50	11,277
Hong Kong Dollar	8,715	-	8,715
Japanese Yen	5,979	-	5,979
Indian Rupee	2,634	-	2,634
Danish Krone	1,739	-	1,739
Taiwan Dollar	1,248	1,248	-
Indonesian Rupiah	897	-	897

Interest rate risk

At the year end date, 2.5% (31.01.13: 5.5%) of the Fund's net assets by value were interest bearing, carrying a (fixed/floating) rate.

For consideration of other risks including liquidity, pricing and credit risk, please refer to the notes to the aggregated financial statements, pages 413 to 414.

13. 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 fixed expenses charge are shown below.

	ACD fee	Fixed expenses
Class A shares:	1.50%	0.18%
Class B shares:	1.00%	0.18%
Class C shares:	0.75%	0.18%

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 111. All classes have the same rights on winding up.

14. Contingent liabilities and capital commitments

At the balance sheet date there were no contingent liabilities or capital commitments (2013: none).

Distribution table

Final distribution in pence per share

Group 1 – Shares purchased prior to 1 February 2013

Group 2 – Shares purchased 1 February 2013 to 31 January 2014

	Gross revenue	Tax at 10%	Net revenue	Equalisation	Distribution payable 30.04.14	Distribution paid 30.04.13
A-Class Accumulation Shares						
Group 1	5.055556	0.505556	4.550000	-	4.550000	4.450000
Group 2	0.000000	0.000000	0.000000	4.550000	4.550000	4.450000
A-Class Income Shares						
Group 1	0.377778	0.037778	0.340000	-	0.340000	0.320000
Group 2	0.000000	0.000000	0.000000	0.340000	0.340000	0.320000
B-Class Accumulation Shares						
Group 1	9.544444	0.954444	8.590000	-	8.590000	5.400000
Group 2	1.208004	0.120800	1.087204	7.502796	8.590000	5.400000
C-Class Accumulation Shares						
Group 1	1.700000	0.170000	1.530000	-	1.530000	1.020000
Group 2	0.033428	0.003343	0.030085	1.499915	1.530000	1.020000
C-Class Income Shares						
Group 1	1.644444	0.164444	1.480000	-	1.480000	0.960000
Group 2	0.058720	0.005872	0.052848	1.427152	1.480000	0.960000

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 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.

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

Risk profile

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

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

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

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

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

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

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

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

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

Fund review

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

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

Fund outlook

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

12 month performance as at 31 January

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

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

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

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

Source: J.P. Morgan.

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

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

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

Top ten holdings (excluding Liquidity funds) %

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

Geographical breakdown %

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

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

Highest/lowest share price and distribution record

Calendar year	Highest share price	Lowest share price	Distribution per share (net)
A-Class Accumulation Shares^C			
2011	50.00p	50.00p	-
2012	54.51p	48.96p	1.74p
2013	65.79p	54.19p	2.37p
2014 ^D	64.38p	61.34p	0.41p
A-Class Accumulation GBP Hedged Shares^E			
2009	44.13p	29.50p	1.59p
2010	48.64p	40.78p	1.55p
2011	50.06p	40.47p	1.84p
2012	50.77p	44.83p	1.83p
2013	61.92p	50.93p	2.18p
2014 ^D	62.00p	59.55p	0.39p
A-Class Income Shares^C			
2011	50.00p	50.00p	-
2012	53.38p	48.37p	1.72p
2013	62.41p	52.44p	2.26p
2014 ^D	59.97p	57.13p	0.39p
A-Class Income GBP Hedged Shares^E			
2009	39.41p	27.34p	1.46p
2010	41.94p	35.87p	1.36p
2011	42.89p	33.89p	1.57p
2012	40.59p	36.57p	1.49p
2013	47.70p	40.70p	1.71p
2014 ^D	47.76p	45.85p	0.31p
B-Class Accumulation Shares^F			
2012	100.0p	52.01p	0.44p
2013	65.98p	54.26p	2.36p
2014 ^D	64.69p	61.65p	0.42p
B-Class Income Shares^F			
2012	52.43p	50.32p	0.43p
2013	62.58p	52.49p	2.28p
2014 ^D	60.26p	57.42p	0.40p
C-Class Accumulation Shares^G			
2012	102.1p	97.48p	0.85p
2013	123.8p	101.7p	4.41p
2014 ^D	121.7p	115.9p	0.78p
C-Class Accumulation GBP Hedged Shares^H			
2012	102.3p	96.43p	0.85p
2013	125.6p	102.7p	4.37p
2014 ^D	125.8p	120.8p	0.81p
C-Class Income Shares^G			
2012	102.1p	96.65p	0.85p
2013	120.4p	100.9p	4.28p
2014 ^D	116.1p	110.7p	0.74p

* 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>

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

Highest/lowest share price and distribution record (continued)

Calendar year	Highest share price	Lowest share price	Distribution per share (net)
C-Class Income GBP Hedged Shares[£]			
2009	92.05p	63.42p	3.42p
2010	98.66p	83.99p	3.29p
2011	101.2p	80.18p	3.73p
2012	96.93p	87.03p	3.60p
2013	114.5p	97.27p	4.10p
2014 [°]	114.7p	110.2p	0.73p
X-Class Accumulation Shares¹			
2009	88.78p	58.74p	3.18p
2010	99.42p	82.57p	3.28p
2011 ¹	102.8p	83.68p	2.97p
2012	-	-	-
2013	114.7p	99.19p	3.59p
2014 [°]	113.5p	108.2p	0.84p
X-Class Income Shares			
2009	81.91p	56.16p	2.99p
2010	88.42p	74.93p	2.99p
2011 ¹	90.88p	72.23p	2.61p

[£] A-Class Accumulation Shares and A-Class Income Shares were launched on 30 December 2011.

[°] To 31 January 2014.

¹ A-Class Accumulation Shares, A-Class Income Shares and C-Class Income Shares changed name to GBP Hedged shares on 16 December 2011.

² B-Class Accumulation Shares and B-Class Income Shares were launched on 29 October 2012.

³ C-Class Accumulation Shares and C-Class Income Shares were launched on 1 October 2012.

⁴ C-Class Accumulation GBP Hedged Shares were launched on 20 August 2012.

⁵ X-Class Accumulation Shares were launched on 28 January 2013.

⁶ X-Class Accumulation Shares and X-Class Income Shares were closed on 12 October 2011.

Portfolio turnover rate

31.01.13	72.0%
31.01.14	171.8%

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

Portfolio transaction costs

	Broker Commissions	Transaction Taxes	Total
31.01.13	0.09%	0.03%	0.12%
31.01.14	0.11%	0.04%	0.15%

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

Stamp duty reserve tax

31.01.13	0.01%
31.01.14	0.02%

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

Net asset values and Ongoing charges

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

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

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

Portfolio statement

As at 31 January 2014

Investment	Holding	Market value £'000	Total net assets %
United States of America - 36.4% (30.0%)			
Accenture 'A'	17,917	879	1.0
Applied Materials	146,644	1,495	1.7
Bristol-Myers Squibb	44,482	1,364	1.6
Cisco Systems	53,170	710	0.8
CME Group 'A'	27,089	1,223	1.4
ConocoPhillips	50,491	2,017	2.4
Enscoco 'A'	16,451	506	0.6
ExxonMobil	15,017	857	1.0
Fifth Third Bancorp	110,735	1,429	1.7
Freeport-McMoRan Copper & Gold	30,157	594	0.7
Home Depot	27,280	1,275	1.5
Johnson & Johnson	36,547	1,987	2.3
Lorillard	39,343	1,176	1.4
Masco	69,355	894	1.0
McDonald's	26,915	1,534	1.8
Merck & Co	41,317	1,344	1.6
Metlife	26,809	811	1.0
Microsoft	81,274	1,820	2.1
Nextera Energy	16,650	920	1.1
Paccar	39,245	1,370	1.6
Sempra Energy	22,747	1,264	1.5
Time Warner	44,557	1,718	2.0
United Technologies	20,295	1,414	1.7
Verizon Communications	37,415	1,082	1.3
Wells Fargo	48,893	1,368	1.6
United Kingdom - 10.9% (15.0%)			
3i Group	330,953	1,241	1.4
AstraZeneca	35,324	1,355	1.6
Aviva	189,182	836	1.0
British Sky Broadcasting Group	145,152	1,242	1.5
Direct Line Insurance Group	273,060	718	0.8
Pearson	46,815	514	0.6
Persimmon	71,539	914	1.1
Vodafone Group	1,100,900	2,441	2.9
Japan - 7.6% (8.6%)			
Japan Tobacco	71,200	1,351	1.6
Seven & I	80,300	1,957	2.3
Sumitomo Mitsui Financial Group	55,200	1,582	1.9
Toyota Motor	44,700	1,572	1.8
France - 7.1% (7.8%)			
AXA	58,600	928	1.1
GDF Suez	49,351	661	0.8
Schneider Electric	24,783	1,200	1.4
Sodexo	10,623	641	0.7
Unibail-Rodamco	11,702	1,702	2.0
Vinci	24,013	946	1.1
Switzerland - 6.0% (5.5%)			
Novartis	27,663	1,327	1.5
Roche (Genusscheine)	9,717	1,607	1.9
Swiss Re	42,137	2,212	2.6
Germany - 4.5% (4.9%)			
BASF	17,434	1,128	1.3
Daimler	25,340	1,267	1.5
Deutsche Telekom	145,358	1,428	1.7
Australia - 4.3% (5.5%)			
Australia & New Zealand Bank Group	54,838	874	1.0
Goodman Group Stapled Units	314,747	778	0.9
Transurban Group	295,861	1,080	1.3
Westfield Group Stapled Units	162,668	877	1.1
Sweden - 3.9% (2.7%)			
Electrolux 'B'	47,459	616	0.7
Ericsson 'B'	176,305	1,323	1.6
Swedbank 'A'	88,250	1,391	1.6
Netherlands - 2.9% (2.0%)			
Royal Dutch Shell 'A'	114,932	2,439	2.9
Hong Kong - 2.7% (2.6%)			
Hutchison Whampoa	164,000	1,236	1.4
Wynn Macau	428,800	1,107	1.3
Italy - 2.3% (2.0%)			
ENI	145,784	2,000	2.3

Investment	Holding	Market value £'000	Total net assets %
Belgium - 2.0% (0.9%)			
RTL Group	12,988	964	1.1
Solvay	9,285	788	0.9
Canada - 1.9% (0.0%)			
Bank of Montreal	42,161	1,585	1.9
Denmark - 1.5% (0.0%)			
TDC	219,915	1,245	1.5
Finland - 1.0% (0.0%)			
UPM-Kymmene	93,496	869	1.0
Norway - 0.8% (1.3%)			
Telenor	57,202	717	0.8
China - 0.7% (1.7%)			
China Shenhua Energy 'H'	390,500	611	0.7
Taiwan - 0.7% (1.0%)			
Siliconware Precision Industries	783,000	581	0.7
South Korea - 0.4% (0.0%)			
SK Telecom ADR	27,459	365	0.4
Portugal - 0.3% (0.0%)			
CTT-Correios	50,927	280	0.3
Forward currency contracts GBP Hedged share classes - 0.6% ((0.9)%)			
Australian Dollar			
Sell AUD3,939,376 buy £2,115,469 dated 18/02/14		33	-
Canadian Dollar			
Sell CAD4,981,920 buy £2,784,676 dated 18/02/14		82	0.1
Danish Krone			
Sell DKK4,687,211 buy £523,949 dated 18/02/14		7	-
Euro			
Buy €490,888 sell £404,889 dated 18/02/14		(1)	-
Sell €10,319,336 buy £8,605,587 dated 18/02/14		109	0.1
Hong Kong Dollar			
Buy HKD2,938,890 sell £228,392 dated 18/02/14		2	-
Sell HKD12,027,906 buy £949,074 dated 18/02/14		8	-
Japanese Yen			
Sell ¥1,014,633,424 buy £5,929,985 dated 18/02/14		(101)	(0.1)
Norwegian Krone			
Sell NOK4,453,508 buy £443,157 dated 18/02/14		13	-
Singapore Dollar			
Buy SGD 939,865 sell £451,004 dated 18/02/14		(4)	-
Sell SGD 1,291,346 buy £620,963 dated 18/02/14		7	-
Swedish Krone			
Sell SEK12,354,741 buy £1,170,107 dated 18/02/14		24	-
Swiss Franc			
Buy CHF522,817 sell £351,368 dated 18/02/14		1	-
Sell CHF3,842,126 buy £2,594,019 dated 18/02/14		6	-
US Dollars			
Buy \$3,234,908 sell £1,951,598 dated 18/02/14		14	-
Buy \$1,218,154 sell £740,817 dated 18/02/14		(1)	-
Sell \$73,345,612 buy £44,911,422 dated 18/02/14		345	0.5
Sell \$2,868,118 buy £1,729,814 dated 18/02/14		(13)	-

Portfolio statement – continued

As at 31 January 2014

Investment	Holding	Market value £'000	Total net assets %
Forward currency contracts fund level – (0.2)% ((0.7)%)			
Australian Dollar			
Buy AUD433,976 sell £236,924 dated 18/02/14		(7)	-
Sell AUD2,942,715 buy £1,708,586 dated 18/02/14		153	0.2
Canadian Dollar			
Buy CAD2,571,668 sell £1,529,371 dated 18/02/14		(134)	(0.2)
Danish Krone			
Sell DKK4,713,111 buy £530,662 dated 18/02/14		11	-
Euro			
Buy €3,667,327 sell £3,042,829 dated 18/02/14		(24)	-
Sell €10,649,379 buy £8,927,518 dated 18/02/14		160	0.2
Hong Kong Dollar			
Sell HKD5,835,492 buy £453,282 dated 18/02/14		(3)	-
Sell HKD16,491,648 buy £1,321,627 dated 18/02/14		31	-
Japanese Yen			
Buy ¥86,064,271 sell £505,939 dated 18/02/14		6	-
Buy ¥152,744,000 sell £957,574 dated 18/02/14		(51)	-
Sell ¥53,312,903 buy £317,010 dated 18/02/14		-	-
Sell ¥143,558,423 buy £838,830 dated 18/02/14		(15)	-
Norwegian Krone			
Sell NOK5,686,421 buy £570,000 dated 18/02/14		20	-
Singapore Dollar			
Buy SGD4,293,804 sell £2,047,922 dated 18/02/14		(7)	-
Sell SGD3,955,597 buy £1,955,075 dated 18/02/14		75	0.1
Swedish Krone			
Sell SEK24,329,418 buy £2,280,535 dated 18/02/14		23	-
Swiss Franc			
Buy CHF620,757 sell £421,096 dated 18/02/14		(3)	-
Sell CHF4,395,601 buy £2,996,009 dated 18/02/14		36	-
US Dollars			
Buy \$3,444,563 sell £2,075,368 dated 18/02/14		18	-
Buy \$839,420 sell HKD6,507,254 dated 18/02/14		1	-
Buy \$40,327,996 sell £24,991,437 dated 18/02/14		(487)	(0.6)
Sell \$7,266,397 buy £4,463,099 dated 18/02/14		48	0.1
Sell \$5,503,637 buy £3,334,443 dated 18/02/14		(10)	-
Liquidity funds – 0.2% (2.7%)			
JPM Sterling Liquidity 'X' (Distribution)^§	203,402	203	0.2
Investment assets (including investment liabilities)		84,122	98.5
Net other assets		1,309	1.5
Net assets		85,431	100.0

Unless otherwise stated the above securities are admitted to official stock exchange listings or trade on a regulated market.

The comparative percentage figures in brackets are at 31 January 2013.

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

^ Deemed to be investment in related parties of the ACD

§ Approved security as defined in the Collective Investment Schemes sourcebook

Counterparty exposure

Counterparty	Forward currency contracts £'000	Total £'000
ANZ	(5)	(5)
Barclays	(15)	(15)
BNP Paribas	4	4
CitiBank	(1)	(1)
Commonwealth Bank of Australia	0	0
Credit Suisse	165	165
Deutsche Bank	(29)	(29)
Goldman Sachs	10	10
HSBC	149	149
Morgan Stanley	(3)	(3)
RBC	(617)	(617)
Societe Generale	170	170
State Street	17	17
UBS	531	531
Westpac Banking Corp	(3)	(3)

At the balance sheet date, there was no collateral received by the fund from the above counterparties.

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.

Portfolio movements

For the year ending 31 January 2014

	£'000		£'000
Total of all purchases for the year (Note 10)	107,515	Total of all sales for the year (Note 10)	136,009
Major purchases	Cost	Major sales	Proceeds
JPM Sterling Liquidity 'X' (Distribution)^	24,507	JPM Sterling Liquidity 'X' (Distribution)^	27,153
Seven & I	2,705	Time Warner	2,521
Sumitomo Mitsui Financial Group	2,328	Allianz	2,497
Applied Materials	1,977	EDF	2,444
Cisco Systems	1,967	Pfizer	2,377
Bank of Montreal	1,964	Cisco Systems	2,360
McDonald's	1,932	Singapore Telecommunications	2,332
Bristol-Myers Squibb	1,860	Emerson Electric	2,091
Toyota Motor	1,777	Merck & Co	2,054
Novartis	1,701	Sanofi	2,051
United Technologies	1,698	Nippon Telegraph & Telephone	1,992
GDF Suez	1,579	Canon	1,957
TDC	1,556	HSBC	1,874
Australia & New Zealand Bank Group	1,496	Dow Chemical	1,873
Paccar	1,432	GlaxoSmithKline	1,788
Fifth Third Bancorp	1,380	Centrica	1,738
Williams Companies	1,366	Philip Morris International	1,686
British Sky Broadcasting Group	1,324	Roche (Genusscheine)	1,680
Home Depot	1,311	Nissan Motor	1,647
Deutsche Telekom	1,310	AstraZeneca	1,638

^ Deemed to be investment in related parties of the ACD

Financial statements

Statement of total return

For the year ending 31 January

	2014	2013
£'000	£'000	£'000
Income		
Net capital gains (Note 1)	9,171	12,150
Revenue (Note 2)	4,569	5,042
Expenses (Note 3)	(1,614)	(1,764)
Net revenue before taxation	2,955	3,278
Taxation (Note 4)	(386)	(474)
Net revenue after taxation	2,569	2,804
Total return before distributions	11,740	14,954
Finance costs: Distributions (Note 5)	(4,006)	(4,379)
Change in net assets attributable to shareholders from investment activities	7,734	10,575

Statement of change in net assets attributable to shareholders

For the year ending 31 January

	2014	2013
£'000	£'000	£'000
Opening net assets attributable to shareholders	106,248	104,999
Amounts receivable on issue of shares	28,880	10,829
Amounts payable on cancellation of shares	(60,037)	(23,583)
	(31,157)	(12,754)
Change in net assets attributable to shareholders from investment activities (see above)	7,734	10,575
Retained distributions on accumulation shares	2,626	3,436
Stamp duty reserve tax	(20)	(8)
Closing net assets attributable to shareholders	85,431	106,248

Balance sheet

As at 31 January

	2014	2013
£'000	£'000	£'000
ASSETS		
Investment assets	84,982	108,173
Debtors (Note 7)	646	929
Cash and bank balances (Note 8)	1,284	1,277
Total other assets	1,930	2,206
Total assets	86,912	110,379
LIABILITIES		
Investment liabilities	(860)	(2,297)
Creditors (Note 9)	(393)	(1,666)
Distribution payable on income shares	(228)	(168)
Total other liabilities	(621)	(1,834)
Total liabilities	(1,481)	(4,131)
Net assets attributable to shareholders	85,431	106,248

The notes to these financial statements are shown on pages 125 to 127.

Notes to the financial statements for the year ending 31 January 2014

1. Net capital gains

	2014	2013
	£'000	£'000
Currency gains	1,837	687
Derivative contracts	15	(303)
Forward currency contracts	2,615	187
Non-derivative securities	4,704	11,579
Net capital gains	<u>9,171</u>	<u>12,150</u>

2. Revenue

	2014	2013
	£'000	£'000
Franked income from UK equity investments	528	686
Income from Liquidity funds	7	10
Income from overseas equity investments	3,991	4,231
Interest on bank and term deposits	-	1
Option income	7	105
Stock dividends	36	-
Stocklending income	-	9
Total revenue	<u>4,569</u>	<u>5,042</u>

3. Expenses

	2014	2013
	£'000	£'000
Payable to the ACD or associate of the ACD:		
ACD fee	1,437	1,573
Fixed expenses	177	190
Stocklending fees	-	1
Total expenses	<u>1,614</u>	<u>1,764</u>

4. Taxation

	2014	2013
	£'000	£'000
a) Analysis of charge in the year		
Overseas tax suffered	386	474
Current year tax charge (Note 4a)	<u>386</u>	<u>474</u>

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	2,955	3,278
Corporation tax at 20%	<u>591</u>	<u>656</u>

Effects of:

Dividends not subject to corporation tax	(892)	(958)
Excess expenses for which no relief taken	301	304
Overseas tax expensed	-	(2)
Overseas tax suffered	386	474
	<u>(205)</u>	<u>(182)</u>
Current year tax charge (Note 4a)	<u>386</u>	<u>474</u>

No deferred tax asset has been recognised in the financial statements. At the year end date, the Fund had a potential unrecognised deferred tax asset of £1,217,904 (31.01.13: £916,844) in relation to £6,089,522 (31.01.13: £4,584,218) 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.

5. Finance costs

Distributions

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

	2014	2013
	£'000	£'000
First interim dividend distribution	1,545	1,302
Second interim dividend distribution	1,016	1,409
Third interim dividend distribution	552	856
Final dividend distribution	568	769
Add: Amounts payable on cancellation of shares	453	112
Deduct: Amounts receivable on issue of shares	(128)	(69)
Total finance costs	<u>4,006</u>	<u>4,379</u>

Details of the distribution per share are set out on pages 128 to 131.

6. Movement between net revenue after taxation and distributions

	2014	2013
	£'000	£'000
Net revenue after taxation	2,569	2,804
Add: ACD fee (net of tax relief) paid from capital	1,437	1,566
Add: Undistributed revenue brought forward	9	18
Deduct: Undistributed revenue carried forward	(9)	(9)
	<u>4,006</u>	<u>4,379</u>

7. Debtors

	2014	2013
	£'000	£'000
Accrued income	131	238
Due from the ACD for shares created	165	263
Overseas tax recoverable	155	130
Sales awaiting settlement	195	298
Total debtors	<u>646</u>	<u>929</u>

8. Cash and bank balances

	2014	2013
	£'000	£'000
Amounts held at futures clearing houses and brokers	-	158
Cash and bank balances	1,284	1,119
Total cash and bank balances	<u>1,284</u>	<u>1,277</u>

9. Creditors

	2014	2013
	£'000	£'000
Accrued expenses	120	147
Due to the ACD for shares cancelled	273	196
Purchases awaiting settlement	-	1,323
Total creditors	<u>393</u>	<u>1,666</u>

Notes to the financial statements – continued

10. Portfolio transaction costs

	2014 £'000	2013 £'000
Analysis of total purchase costs		
Purchases in year before transaction costs	107,397	75,998
Commissions	55	42
Taxes	63	40
Total purchase costs	118	82
Gross purchases total	107,515	76,080
Analysis of total sale costs		
Gross sales before transaction costs	136,099	84,072
Commissions	(79)	(47)
Taxes	(11)	(3)
Total sale costs	(90)	(50)
Total sales net of transaction costs	136,009	84,022

11. 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 £227,207 (31.01.13: £80,197). Details of related party transactions are given under note 13 on page 413.

Investments considered to be related parties have been identified in the portfolio statement on pages 121 to 122 and the revenue from these investments was £6,893 (31.01.13: £9,970).

The gross stocklending income received was £nil (31.01.13: £9,486), with fees deducted of £nil (31.01.13: £1,423).

The following parties held a material interest in the Fund at the year end date:

- Hargreaves Lansdown Nominees Ltd Acc 21.64% (31.01.13: 15.93%)
- Chase Nominees Ltd Acc 22107 19.18% (31.01.13: 51.46%)
- Cofunds Nominees Ltd 11.48% (31.01.13: 5.86%)

12. Financial instruments

Currency exposures

A 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 affected by currency movements.

Currency	Total £'000	Net foreign currency assets/(liabilities)		
		Forward exchange contracts £'000	Monetary exposures £'000	Non- monetary exposures £'000
31.01.14				
US Dollar	7,182	(43,603)	19,370	31,415
Euro	1,025	(8,091)	(5,688)	14,804
Japanese Yen	813	(6,031)	381	6,463
Taiwan Dollar	591	-	10	581
Swiss Franc	434	(2,236)	(2,476)	5,146
Australian Dollar	316	(2,083)	(1,210)	3,609
Canadian Dollar	293	(2,703)	1,411	1,585
Danish Krone	207	(517)	(520)	1,244
Hong Kong Dollar	32	(711)	(2,211)	2,954
Singapore Dollar	(6)	(167)	161	-
Swedish Krona	(70)	(1,146)	(2,254)	3,330
Norwegian Krone	(238)	(430)	(525)	717
31.01.13				
US Dollar	3,085	(50,698)	20,755	33,028
Taiwan Dollar	1,116	-	8	1,108
Indonesian Rupiah	891	-	-	891
Japanese Yen	671	(4,462)	(3,957)	9,090
South African Rand	585	-	1	584
Australian Dollar	388	(3,676)	(1,760)	5,824
Euro	383	(13,499)	(5,908)	19,790
Norwegian Krone	320	(439)	(629)	1,388
Hong Kong Dollar	292	(1,155)	(3,101)	4,548
Swedish Krona	263	(1,418)	(1,235)	2,916
Singapore Dollar	213	(804)	(1,766)	2,783
Canadian Dollar	95	(4,781)	4,876	-
New Zealand Dollar	(33)	(248)	(846)	1,061
Swiss Franc	(375)	(4,261)	(1,917)	5,803

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

Interest rate risk

At the year end date, 1.5% (31.01.13: 3.9%) of the Fund's net assets by value were interest bearing, carrying a (fixed/floating) rate.

For consideration of other risks including liquidity, pricing and credit risk, please refer to the notes to the aggregated financial statements, pages 413 to 414.

13. 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 fixed expenses charge are shown below.

	ACD fee	Fixed expenses
Class A shares:	1.50%	0.18%
Class B shares:	1.00%	0.18%
Class C shares:	0.75%	0.18%
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 page 120. 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.

Notes to the financial statements – continued

14. Derivatives

The Fund enters into derivative transactions in the form of forward currency contracts. The Fund may use derivatives for the purpose of efficient portfolio management including hedging, where appropriate. 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 enter into additional forward currency contracts. The share classes may use derivatives for efficient portfolio management including hedging, where appropriate. The positive mark to market approach has been used to calculate the global exposure.

Further information on the derivative risks can be found in the notes to the aggregated financial statements on page 414.

15. Contingent liabilities and capital commitments

At the balance sheet date there were no contingent liabilities or capital commitments (2013: none).

Distribution tables

Final distribution in pence per share

Group 1 – Shares purchased prior to 1 November 2013

Group 2 – Shares purchased 1 November 2013 to 31 January 2014

	Gross revenue	Tax at 10%	Net revenue	Equalisation	Distribution payable 30.04.14	Distribution paid 30.04.13
A-Class Accumulation Shares						
Group 1	0.455556	0.045556	0.410000	-	0.410000	0.400000
Group 2	0.205808	0.020581	0.185227	0.224773	0.410000	0.400000
A-Class Accumulation GBP Hedged Shares						
Group 1	0.433333	0.043333	0.390000	-	0.390000	0.380000
Group 2	0.193978	0.019398	0.174580	0.215420	0.390000	0.380000
A-Class Income Shares						
Group 1	0.433333	0.043333	0.390000	-	0.390000	0.390000
Group 2	0.175928	0.017593	0.158335	0.231665	0.390000	0.390000
A-Class Income GBP Hedged Shares						
Group 1	0.344444	0.034444	0.310000	-	0.310000	0.310000
Group 2	0.159309	0.015931	0.143378	0.166622	0.310000	0.310000
B-Class Accumulation Shares						
Group 1	0.466667	0.046667	0.420000	-	0.420000	0.410000
Group 2	0.466667	0.046667	0.420000	0.000000	0.420000	0.410000
B-Class Income Shares						
Group 1	0.444444	0.044444	0.400000	-	0.400000	0.390000
Group 2	0.444444	0.044444	0.400000	0.000000	0.400000	0.390000
C-Class Accumulation Shares						
Group 1	0.866667	0.086667	0.780000	-	0.780000	0.760000
Group 2	0.114176	0.011418	0.102758	0.677242	0.780000	0.760000
C-Class Accumulation GBP Hedged Shares						
Group 1	0.900000	0.090000	0.810000	-	0.810000	0.740000
Group 2	0.244260	0.024426	0.219834	0.590166	0.810000	0.740000
C-Class Income Shares						
Group 1	0.822222	0.082222	0.740000	-	0.740000	0.750000
Group 2	0.098679	0.009868	0.088811	0.651189	0.740000	0.750000
C-Class Income GBP Hedged Shares						
Group 1	0.811111	0.081111	0.730000	-	0.730000	0.730000
Group 2	0.185699	0.018570	0.167129	0.562871	0.730000	0.730000
X-Class Accumulation Shares						
Group 1	0.933333	0.093333	0.840000	-	0.840000	0.030000
Group 2	0.933333	0.093333	0.840000	0.000000	0.840000	0.030000

Distribution tables – continued

Third interim distribution in pence per share

Group 1 – Shares purchased prior to 1 August 2013

Group 2 – Shares purchased 1 August 2013 to 31 October 2013

	Gross revenue	Tax at 10%	Net revenue	Equalisation	Distribution paid 31.01.14	Distribution paid 31.01.13
A-Class Accumulation Shares						
Group 1	0.466667	0.046667	0.420000	-	0.420000	0.440000
Group 2	0.167260	0.016726	0.150534	0.269466	0.420000	0.440000
A-Class Accumulation GBP Hedged Shares						
Group 1	0.433333	0.043333	0.390000	-	0.390000	0.410000
Group 2	0.208990	0.020899	0.188091	0.201909	0.390000	0.410000
A-Class Income Shares						
Group 1	0.433333	0.043333	0.390000	-	0.390000	0.430000
Group 2	0.136661	0.013666	0.122995	0.267005	0.390000	0.430000
A-Class Income GBP Hedged Shares						
Group 1	0.333333	0.333333	0.300000	-	0.300000	0.330000
Group 2	0.117393	0.011739	0.105654	0.194346	0.300000	0.330000
B-Class Accumulation Shares						
Group 1	0.455556	0.045556	0.410000	-	0.410000	0.440000
Group 2	0.455556	0.045556	0.410000	0.000000	0.410000	0.440000
B-Class Income Shares						
Group 1	0.444444	0.044444	0.400000	-	0.400000	0.430000
Group 2	0.444444	0.044444	0.400000	0.000000	0.400000	0.430000
C-Class Accumulation Shares						
Group 1	0.866667	0.086667	0.780000	-	0.780000	0.850000
Group 2	0.866667	0.086667	0.780000	0.000000	0.780000	0.850000
C-Class Accumulation GBP Hedged Shares						
Group 1	0.866667	0.086667	0.780000	-	0.780000	0.850000
Group 2	0.201606	0.020161	0.181445	0.598555	0.780000	0.850000
C-Class Income Shares						
Group 1	0.833333	0.083333	0.750000	-	0.750000	0.850000
Group 2	0.142796	0.014280	0.128516	0.621484	0.750000	0.850000
C-Class Income GBP Hedged Shares						
Group 1	0.800000	0.080000	0.720000	-	0.720000	0.790000
Group 2	0.057249	0.005725	0.051524	0.668476	0.720000	0.790000
X-Class Accumulation Shares						
Group 1	0.866667	0.086667	0.780000	-	0.780000	-
Group 2	0.866667	0.086667	0.780000	0.000000	0.780000	-

Distribution tables – continued

Second interim distribution in pence per share

Group 1 – Shares purchased prior to 1 May 2013

Group 2 – Shares purchased 1 May 2013 to 31 July 2013

	Gross revenue	Tax at 10%	Net revenue	Equalisation	Distribution paid 31.10.13	Distribution paid 31.10.12
A-Class Accumulation Shares						
Group 1	0.844444	0.084444	0.760000	-	0.760000	0.670000
Group 2	0.364537	0.036454	0.328083	0.431917	0.760000	0.670000
A-Class Accumulation GBP Hedged Shares						
Group 1	0.777778	0.077778	0.700000	-	0.700000	0.620000
Group 2	0.220637	0.022064	0.198573	0.501427	0.700000	0.620000
A-Class Income Shares						
Group 1	0.800000	0.080000	0.720000	-	0.720000	0.670000
Group 2	0.288051	0.028805	0.259246	0.460754	0.720000	0.670000
A-Class Income GBP Hedged Shares						
Group 1	0.600000	0.060000	0.540000	-	0.540000	0.500000
Group 2	0.302624	0.030262	0.272362	0.267638	0.540000	0.500000
B-Class Accumulation Shares						
Group 1	0.833333	0.083333	0.750000	-	0.750000	-
Group 2	0.833333	0.083333	0.750000	0.000000	0.750000	-
B-Class Income Shares						
Group 1	0.800000	0.080000	0.720000	-	0.720000	-
Group 2	0.800000	0.080000	0.720000	0.000000	0.720000	-
C-Class Accumulation Shares						
Group 1	1.566667	0.156667	1.410000	-	1.410000	-
Group 2	0.423816	0.042382	0.381434	1.028566	1.410000	-
C-Class Accumulation GBP Hedged Shares						
Group 1	1.555556	0.155556	1.400000	-	1.400000	-
Group 2	0.582056	0.058206	0.523850	0.876150	1.400000	-
C-Class Income Shares						
Group 1	1.488889	0.148889	1.340000	-	1.340000	-
Group 2	0.293384	0.029338	0.264046	1.075954	1.340000	-
C-Class Income GBP Hedged Shares						
Group 1	1.444444	0.144444	1.300000	-	1.300000	1.220000
Group 2	0.453509	0.045351	0.408158	0.891842	1.300000	1.220000
X-Class Accumulation Shares						
Group 1	1.511111	0.151111	1.360000	-	1.360000	-
Group 2	1.511111	0.151111	1.360000	0.000000	1.360000	-

Distribution tables – continued

First interim distribution in pence per share

Group 1 – Shares purchased prior to 1 February 2013

Group 2 – Shares purchased 1 February 2013 to 30 April 2013

	Gross revenue	Tax at 10%	Net revenue	Equalisation	Distribution paid 31.07.13	Distribution paid 31.07.12
A-Class Accumulation Shares						
Group 1	0.877777	0.087777	0.790000	-	0.790000	0.620000
Group 2	0.438836	0.043883	0.394953	0.395047	0.790000	0.620000
A-Class Accumulation GBP Hedged Shares						
Group 1	0.788888	0.078888	0.710000	-	0.710000	0.570000
Group 2	0.756633	0.075663	0.680970	0.029030	0.710000	0.570000
A-Class Income Shares						
Group 1	0.844444	0.084444	0.760000	-	0.760000	0.610000
Group 2	0.390102	0.039010	0.351092	0.408908	0.760000	0.610000
A-Class Income GBP Hedged Shares						
Group 1	0.622222	0.062222	0.560000	-	0.560000	0.470000
Group 2	0.428704	0.042870	0.385834	0.174166	0.560000	0.470000
B-Class Accumulation Shares						
Group 1	0.877777	0.087777	0.790000	-	0.790000	-
Group 2	0.877777	0.087777	0.790000	0.000000	0.790000	-
B-Class Income Shares						
Group 1	0.855555	0.085555	0.770000	-	0.770000	-
Group 2	0.855555	0.085555	0.770000	0.000000	0.770000	-
C-Class Accumulation Shares						
Group 1	1.622222	0.162222	1.460000	-	1.460000	-
Group 2	0.469706	0.046970	0.422736	1.037264	1.460000	-
C-Class Accumulation GBP Hedged Shares						
Group 1	1.611111	0.161111	1.450000	-	1.450000	-
Group 2	0.947623	0.094762	0.852861	0.597139	1.450000	-
C-Class Income Shares						
Group 1	1.600000	0.160000	1.440000	-	1.440000	-
Group 2	1.600000	0.160000	1.440000	0.000000	1.440000	-
C-Class Income GBP Hedged Shares						
Group 1	1.500000	0.150000	1.350000	-	1.350000	1.120000
Group 2	0.826520	0.082652	0.743868	0.606132	1.350000	1.120000
X-Class Accumulation Shares						
Group 1	1.577777	0.157777	1.420000	-	1.420000	-
Group 2	1.577777	0.157777	1.420000	0.000000	1.420000	-

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 (ex-UK) Bond Fund

Investment objective and policy

To provide income with the prospect of capital growth from investment anywhere in the world in non-Sterling denominated interest-bearing securities in any economic sector. The Fund is primarily hedged back into Sterling. The Fund may invest up to 100% in government and public securities (see section 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 interest bearing securities including Below Investment Grade Bonds.

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.

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

For investors, 2013 was largely a year of falling uncertainty and rising markets. The Federal Reserve's decision to begin phasing out quantitative easing removed some policy uncertainty in the US without imposing any significant headwinds for the economy. A return to economic growth in developed markets and Abenomics in Japan appear to have reduced tail risks to the global economy. Financial markets have responded to these developments by bidding up the value of risk assets.

The Fund outperformed the benchmark on a gross of fees basis over the period. Given the more supportive risk backdrop, our allocation to investment grade corporate credit contributed positively, with our largest allocation being the financial institutions sector. We increased our overweight in high quality covered bonds, which contributed positively as swap spreads compressed. Our overweight in supranational positions also contributed positively. In cross markets, our long 10-year Belgium vs. Germany contributed positively. Our long 10-year Italy vs. Germany and long 5-year Spain vs. Germany positions also contributed positively, as economic conditions improved in the periphery.

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

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

All performance returns are calculated using the quoted price of the accumulation shares. Performance returns are in Sterling.
Source: J.P. Morgan.

Fund outlook

We expect economies to continue to gradually recover, backed by stronger data and central bank policy in developed markets remaining expansionary. However, our optimism is restrained by the potential for deflation in Europe, the failure of Abenomics to stimulate trade and widespread sub-trend growth in emerging markets. Government bond yields should continue to rise and investor appetite for spread product is likely to remain robust.

12 month performance as at 31 January

	2014	2013	2012	2011	2010
JPM Global (ex-UK) Bond A-Class Acc	1.4%	3.9%	5.8%	2.6%	2.9%
JPM Global (ex-UK) Bond B-Class Acc	1.8%	-	-	-	-
JPM Global (ex-UK) Bond C-Class Acc	1.6%	-	-	-	-
JPM Global (ex-UK) Bond I-Class Acc	1.9%	4.3%	6.2%	3.0%	3.2%
Benchmark Index	2.3%	3.4%	7.1%	3.1%	3.4%

Fund statistics

Risk and Reward Profile	3*
Fund size	£58.6m
Benchmark Index	J.P. Morgan GBI Global ex UK hedged to GBP
Fund charges	
A-Class	Initial 3.00%, Annual 0.75%
B-Class	Initial Nil, Annual 0.50%
C-Class	Initial Nil, Annual 0.40%
I-Class	Initial Nil, Annual 0.45%

Top ten holdings (excluding Liquidity funds) %

Qatar 4% 2015	5.3
Italy 0% Sept 2014	4.2
Spain 0% Sept 2014	4.2
Japan 2.5% 2035	3.0
Japan 1.9% 2023	2.6
Japan 1.9% 2025	2.4
Spain 0% Jun 2014	2.1
European Investment Bank 1.125% 2017	2.1
Germany 1% 2018	2.0
Japan 2% 2030	1.9

Sector breakdown %

Government stock	67.4
Corporate debt	26.9
Supra-National Bank	4.3
Liquidity funds	1.2
Forward currency contracts	0.3
Futures	0.0
Net other liabilities	(0.1)

Highest/lowest share price and distribution record

Calendar year	Highest share price	Lowest share price	Distribution per share
A-Class Accumulation Shares			
2009	206.0p	194.8p	4.04p
2010	217.4p	203.6p	2.82p
2011	221.3p	208.5p	2.54p
2012	233.0p	219.5p	2.63p
2013	238.2p	227.7p	2.43p
2014 ^A	234.2p	231.2p	1.22p
A-Class Income Shares			
2009	173.4p	164.4p	3.44p
2010	179.5p	170.5p	2.41p
2011	180.7p	171.4p	2.09p
2012	188.0p	179.2p	2.14p
2013	191.2p	181.8p	1.96p
2014 ^A	187.0p	184.6p	0.97p
B-Class Accumulation Shares^B			
2012	233.0p	230.2p	-
2013	238.4p	228.3p	2.83p
2014 ^A	235.3p	232.2p	1.70p
C-Class Accumulation Shares^C			
2012	101.3p	99.85p	-
2013	103.7p	99.14p	1.34p
2014 ^A	102.1p	100.8p	0.68p
C-Class Gross Accumulation Shares^C			
2012	101.3p	99.85p	-
2013	103.9p	99.59p	1.71p
2014 ^A	103.0p	101.6p	0.98p
C-Class Gross Income Shares^C			
2012	101.3p	99.87p	-
2013	103.1p	97.98p	1.70p
2014 ^A	101.2p	99.81p	0.96p
C-Class Income Shares^C			
2012	101.3p	99.85p	-
2013	103.0p	97.89p	1.36p
2014 ^A	100.8p	99.50p	0.68p
I-Class Accumulation Shares			
2009	128.5p	121.4p	2.89p
2010	136.1p	127.1p	2.29p
2011	139.1p	130.7p	2.10p
2012	147.1p	138.1p	2.19p
2013	150.7p	144.2p	2.07p
2014 ^A	148.6p	146.6p	1.08p
I-Class Gross Accumulation Shares			
2009	106.0p	99.93p	3.05p
2010	112.7p	104.9p	2.36p
2011	115.6p	108.3p	2.17p
2012	122.8p	114.9p	2.28p
2013	125.9p	120.6p	2.13p
2014 ^A	124.4p	122.7p	1.06p

Highest/lowest share price and distribution record (continued)

Calendar year	Highest share price	Lowest share price	Distribution per share
I-Class Income Shares			
2009	107.5p	101.9p	2.45p
2010	111.2p	105.7p	1.89p
2011	111.9p	106.1p	1.73p
2012	116.5p	111.1p	1.76p
2013	118.5p	112.6p	1.64p
2014 ^a	116.1p	114.5p	0.84p

^a To 31 January 2014.

^b B-Class Accumulation Shares were launched on 29 October 2012.

^c C-Class Accumulation Shares, C-Class Gross Accumulation Shares, C-Class Gross Income Shares and C-Class Income Shares were launched on 1 October 2012.

Portfolio turnover rate

31.01.13	247.8%
31.01.14	143.6%

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

Portfolio transaction costs

	Broker Commissions	Transaction Taxes	Total
31.01.13	0.00%	0.00%	0.00%
31.01.14	0.00%	0.00%	0.00%

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

Stamp duty reserve tax

31.01.13	0.00%
31.01.14	0.00%

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

Net asset values and Ongoing charges

Date	Net asset value per share class £'000	Number of shares	Net asset value per share	Ongoing charges
A-Class Accumulation Shares				
31.01.12	26,754	12,047,696	222.1p	0.93%
31.01.13	38,906	16,863,515	230.7p	0.93%
31.01.14	36,889	15,761,314	234.1p	0.93%
A-Class Income Shares				
31.01.12	2,447	1,358,319	180.1p	0.93%
31.01.13	2,435	1,315,171	185.2p	0.93%
31.01.14	1,839	989,255	185.9p	0.93%
B-Class Accumulation Shares				
31.01.13	3	1,500	230.8p	0.68%
31.01.14	9	3,869	235.1p	0.68%
C-Class Accumulation Shares				
31.01.13	1	1,000	100.3p	0.58%
31.01.14	312	306,019	102.0p	0.58%
C-Class Gross Accumulation Shares				
31.01.13	1	1,000	100.5p	0.58%
31.01.14	1	1,000	102.9p	0.58%
C-Class Gross Income Shares				
31.01.13	1	1,000	99.67p	0.58%
31.01.14	1	1,000	100.1p	0.58%
C-Class Income Shares				
31.01.13	1	1,000	99.67p	0.58%
31.01.14	1,048	1,047,475	100.1p	0.58%
I-Class Accumulation Shares				
31.01.12	94	67,193	139.8p	0.45%
31.01.13	93	63,841	145.8p	0.45%
31.01.14	49	33,060	148.5p	0.45%
I-Class Gross Accumulation Shares				
31.01.12	23,685	20,367,485	116.3p	0.45%
31.01.13	25,431	20,894,761	121.7p	0.45%
31.01.14	18,431	14,828,414	124.3p	0.45%
I-Class Income Shares				
31.01.12	63	57,000	111.5p	0.45%
31.01.13	84	73,398	114.7p	0.45%
31.01.14	26	22,146	115.2p	0.45%

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

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

Portfolio statement

As at 31 January 2014

Investment	Holding	Market value £'000	Total net assets %	Investment	Holding	Market value £'000	Total net assets %
Government stock - 67.4% (66.7%)				Spain - 10.8%			
Australia - 0.5%				Spain 0% Jun 2014			
Australia 6% 2017	\$85,000	49	0.1	Spain 0% Sept 2014	€3,000,000	2,460	4.2
Australia 5.75% 2022	\$310,000	187	0.3	Spain 3.3% 2014	€110,000	92	0.2
Australia 4.75% 2027	\$80,000	44	0.1	Spain 4.25% 2016	€550,000	487	0.8
Belgium - 1.8%				Spain 4.1% 2018	€555,000	495	0.8
Belgium 3% 2019	€755,000	681	1.2	Spain 5.85% 2022	€490,000	474	0.8
Belgium 2.6% 2024	€90,000	76	0.1	Spain 5.4% 2023	€132,000	124	0.2
Belgium 5.5% 2028	€235,000	256	0.4	Spain 3.8% 2024	€875,000	723	1.2
Belgium 4.25% 2041	€82,000	81	0.1	Spain 4.65% 2025	€85,000	75	0.1
Canada - 1.3%				Spain 5.15% 2044	€247,000	219	0.4
Canada 1.5% 2017	CAD430,000	236	0.4	Sweden - 0.6%			
Canada 3.5% 2020	CAD420,000	250	0.4	Sweden 4.25% 2019	SEK3,130,000	329	0.6
Canada 2.75% 2022	CAD228,000	129	0.2	United States of America - 4.8%			
Canada 5.75% 2033	CAD242,000	188	0.3	US Treasury 0.625% 2016	\$550,000	335	0.6
Canada 3.5% 2045	CAD40,000	24	-	US Treasury 1.25% 2019	\$1,050,000	629	1.1
Denmark - 1.2%				US Treasury 2.5% 2023	\$160,000	96	0.2
Denmark 4% 2017	DKK5,800,000	727	1.2	US Treasury 5.375% 2031	\$536,000	414	0.7
Finland - 1.1%				US Treasury 4.5% 2039	\$780,000	551	0.9
Finland 3.5% 2021	€470,000	443	0.8	US Treasury 3.125% 2041	\$90,000	50	0.1
Finland 2.625% 2042	€220,000	182	0.3	US Treasury 2.75% Aug 2042	\$700,000	358	0.6
France - 7.3%				US Treasury 2.75% Nov 2042	\$640,000	326	0.6
France 2.5% 2016	€1,250,000	1,086	1.9	Corporate debt - 26.9% (22.3%)			
France 1% 2018	€1,030,000	857	1.5	Australia - 4.3%			
France 3.25% 2021	€1,039,166	955	1.6	Australia & New Zealand Bank Group 1% 2015	\$850,000	520	0.9
France 2.25% 2022	€440,000	373	0.6	Australia & New Zealand Bank Group 1.5% 2018	€414,000	346	0.6
France 4.25% 2023	€90,000	88	0.2	Australia & New Zealand Bank Group 1.125% 2020	€440,000	354	0.6
France 5.75% 2032	€380,000	443	0.8	Commonwealth Bank of Australia 2.625% 2017	€950,000	828	1.4
France 3.25% 2045	€350,000	291	0.5	Westpac Banking 1.25% 2017	\$800,000	480	0.8
France 4% 2055	€120,000	116	0.2	Canada - 1.9%			
Germany - 3.5%				Canadian Imperial Bank of Commerce 1.25% 2018	€206,000	172	0.3
Germany 1% 2018	€1,370,000	1,151	2.0	Royal Bank of Canada 1.2% 2017	\$920,000	555	0.9
Germany 4.75% 2028	€190,000	207	0.4	Xstrata Finance Canada 5.25% 2017	€430,000	395	0.7
Germany 4.75% 2034	€321,000	364	0.6	Finland - 0.7%			
Germany 4.75% 2040	€210,000	249	0.4	Nordea Bank 2.375% 2017	€500,000	435	0.7
Germany 2.5% 2044	€95,000	79	0.1	France - 3.2%			
Italy - 12.9%				Autoroutes Paris 5% 2017	€300,000	274	0.5
Italy 0% Aug 2014	€1,000,000	821	1.4	BNP Paribas 3.375% 2017	€500,000	445	0.8
Italy 0% Sept 2014	€3,000,000	2,460	4.2	Casino Guichard-Perrachon 5.5% 2015	€300,000	258	0.4
Italy 2.75% 2015	€340,000	289	0.5	Compagnie De Financement Foncier 4.5% 2018	€545,000	514	0.9
Italy 3.5% 2017	€1,040,000	902	1.5	Societe Generale 3.75% EMTN 2017	€400,000	356	0.6
Italy 3.5% 2018	€530,000	459	0.8	Netherlands - 3.0%			
Italy 4.75% 2021	€874,000	793	1.4	BMW Finance 3.25% 2019	€390,000	350	0.6
Italy 5.5% 2022	€440,000	415	0.7	ING Bank 3.375% 2018	€430,000	388	0.7
Italy 4.5% 2023	€340,000	299	0.5	Rabobank 4.2% 2014	\$470,000	289	0.5
Italy 5% 2025	€379,000	343	0.6	Rabobank 3.375% Jan 2017	\$330,000	214	0.4
Italy 4.75% 2028	€280,000	245	0.4	Rabobank 3.375% Apr 2017	€500,000	441	0.8
Italy 4% 2037	€355,000	278	0.5	New Zealand - 1.4%			
Italy 5% 2040	€175,000	154	0.3	ASB Finance 1.5% 2018	€1,000,000	832	1.4
Italy 4.75% 2044	€100,000	84	0.1	Norway - 2.7%			
Japan - 12.1%				DNB 1% 2018	€1,035,000	858	1.5
Japan 1.1% 2021	¥51,500,000	321	0.5	DNB 1.125% 2018	€166,000	137	0.2
Japan 1.9% 2023	¥229,500,000	1,529	2.6	SpareBank 1 Boligkreditt 1.75% 2019	\$980,000	576	1.0
Japan 1.9% 2025	¥213,200,000	1,430	2.4	South Korea - 0.7%			
Japan 2% 2030	¥166,100,000	1,109	1.9	Korea Development Bank 3.25% 2016	\$200,000	127	0.2
Japan 2.5% 2035	¥247,750,000	1,735	3.0	Korea Development Bank 3.5% 2017	\$460,000	294	0.5
Japan 2% 2042	¥18,000,000	116	0.2	Sweden - 0.6%			
Japan 2.4% 2048	¥97,550,000	688	1.2	Nordea Bank 4.625% 2022	€400,000	355	0.6
Japan 2.2% 2051	¥30,050,000	203	0.3	United Kingdom - 5.0%			
Mexico - 1.6%				Abbey National Treasury Services 3.625% 2018	€810,000	734	1.3
Mexico 5.625% 2017	\$910,000	615	1.0	Barclays Bank 3.625% 2016	€610,000	537	0.9
Mexico 2.75% 2023	€420,000	332	0.6	BAT International Finance 5.375% 2017	€500,000	471	0.8
Netherlands - 0.7%				Heathrow Funding 4.6% FRN 'A' 2016	€350,000	295	0.5
Netherlands 4.5% 2017	€250,000	234	0.4	Lloyds Banking Group 4.625% 2017	€290,000	264	0.5
Netherlands 4% 2018	€207,000	195	0.3	Royal Bank of Scotland 4.875% 2015	€350,000	305	0.5
Qatar - 5.5%				Royal Bank of Scotland 4% 2016	€330,000	292	0.5
Qatar 4% 2015	\$4,920,000	3,085	5.3				
Qatar 3.125% 2017	\$200,000	127	0.2				
Russia - 0.8%							
Russia 7.5% 2030	\$650,650	456	0.8				
South Korea - 0.9%							
Korea 5.75% 2014	\$850,000	522	0.9				

Portfolio statement – continued

As at 31 January 2014

Investment	Holding	Market value £'000	Total net assets %
United States of America – 3.4%			
Bank of America 4.625% 2017	€350,000	320	0.5
Citigroup 7.375% 2019	€220,000	234	0.4
General Electric Capital 1.25% 2016	\$540,000	328	0.6
Goldman Sachs Group 2.625% 2020	€220,000	184	0.3
Morgan Stanley 2.25% 2018	€330,000	279	0.5
Novartis Capital 2.4% 2022	\$250,000	142	0.2
Procter & Gamble 2% 2022	\$323,000	265	0.5
Wells Fargo 2.625% 2022	\$289,000	243	0.4
Supra-National Bank – 4.3% (8.2%)			
European Investment Bank 1.125% 2017	\$2,000,000	1,213	2.1
European Financial Stability Facility 1.25% 2019	€1,000,000	830	1.4
European Financial Stability Facility 1.625% 2020	€610,000	506	0.8
Forward currency contracts – 0.3% (3.3%)			
Australian Dollar			
Sell AUD 467,504 buy £248,136 dated 05/03/14		5	-
Sell AUD 467,504 buy £251,983 dated 05/02/14		1	-
Canadian Dollar			
Sell CAD 1,452,528 buy £826,989 dated 05/02/14		39	-
Sell CAD 1,452,528 buy £789,587 dated 05/03/14		2	-
Danish Krone			
Sell DKK 6,346,803 buy £709,054 dated 05/02/14		9	-
Sell DKK 6,346,803 buy £700,025 dated 05/03/14		-	-
Euro			
Buy €1,902,448 sell £1,578,313 dated 05/03/14		(12)	-
Buy €3,173,416 sell £2,639,061 dated 05/02/14		(27)	-
Sell €41,443,321 buy £34,533,859 dated 05/02/14		418	0.7
Sell €2,433,621 buy £2,005,488 dated 05/03/14		2	-
Sell €4,240,686 buy £3,488,600 dated 05/02/14		(2)	-
Sell €42,510,591 buy £34,975,802 dated 05/03/14		(25)	-
Japanese Yen			
Buy ¥7,364,383 sell £42,479 dated 05/02/14		1	-
Sell ¥1,212,898,118 buy £7,203,126 dated 05/03/14		(8)	-
Sell ¥1,204,698,780 buy £6,952,683 dated 05/02/14		(209)	(0.4)
Swedish Krone			
Sell SEK 3,102,330 buy £292,839 dated 05/02/14		5	-
Sell SEK 3,102,330 buy £288,415 dated 05/03/14		1	-
US Dollar			
Buy \$1,236,902 sell £747,436 dated 05/03/14		4	-
Buy \$194,690 sell £117,958 dated 05/02/14		-	-
Sell \$21,512,802 buy £13,026,870 dated 05/02/14		(43)	-
Sell \$327,611 buy £199,286 dated 05/02/14		-	-
Sell \$135,336 buy £82,001 dated 05/03/14		-	-
Sell \$21,645,723 buy £13,162,935 dated 05/03/14		9	-
Futures – 0.00% (0.00%)			
10 Year Mini JGB Futures Mar 2014		22	-
Australia 10 Year Bond Futures Mar 2014		3	-
Australia 3 Year Bond Futures Mar 2014		1	-
Euro-BOBL Futures Mar 2014		(84)	(0.1)
Euro-BTP Futures Mar 2014		3	-
Euro Bund Index Futures Mar 2014		-	-
Euro Schatz Futures Mar 2014		(9)	-
US 2 Year Treasury Note Futures Mar 2014		-	-
US 5 Year Treasury Note Futures Mar 2014		-	-
US 10 Year Treasury Note Futures Mar 2014		32	-
US Ultra Bond Futures Mar 2014		54	0.1
Liquidity funds – 1.2% (4.2%)			
JPM Sterling Liquidity 'X' (Distribution)^\$	700,765	701	1.2
Investment assets (including investment liabilities)		58,648	100.1
Net other liabilities		(43)	(0.1)
Net assets		58,605	100.0

Portfolio credit ratings	Market value £'000
AAA	17,728
AA+	4,723
AA	4,624
AA-	2,485
A+	8,286
A	1,568
A-	1,071
BBB+	4,412
BBB	8,405
BBB-	4,453
Total bonds	57,755
Forward currency contracts	170
Futures	22
Liquidity funds	701
Investment assets (including investment liabilities)	58,648

Counterparty exposure

Counterparty	Forward currency contracts £'000	Futures contracts £'000	Total
Barclays	39	-	39
BNP Paribas	(64)	-	(64)
Commonwealth Bank of Australia	3	-	3
Credit Suisse	12	-	12
Deutsche Bank	(18)	-	(18)
HSBC	(2)	-	(2)
JP Morgan	-	115	115
RBS	(12)	-	(12)
Societe Generale	1	-	1
State Street	(1)	-	(1)
Westpac Banking Corp	213	-	213

At the balance sheet date, there was no collateral received by the fund from the above counterparties.

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.

Unless otherwise stated the above securities are admitted to official stock exchange listings or trade on a regulated market.

The comparative percentage figures in brackets are at 31 January 2013.

^ Deemed to be investment in related parties of the ACD

\$ Approved security as defined in the Collective Investment Schemes sourcebook

Portfolio movements

For the year ending 31 January 2014

	£'000		£'000
Total of all purchases for the year	65,081	Total of all sales for the year	71,254
Major purchases	Cost	Major sales	Proceeds
JPM Sterling Liquidity 'X' (Distribution)^	12,702	JPM Sterling Liquidity 'X' (Distribution)^	14,801
Spain 4.1% 2018	3,008	Spain 4.1% 2018	3,008
US Treasury 1.125% 2020	2,529	US Treasury 1.125% 2020	2,408
Italy 0% Sept 2014	2,447	US Treasury 2% 2022	2,252
Spain 0% Sept 2014	2,446	Spain 4.5% 2018	2,238
Belgium 2.25% 2023	2,249	Belgium 2.25% 2023	2,175
Germany 0.25% 2018	1,339	Mexico 8% 2013	1,718
Spain 4.5% 2018	1,335	Japan 1.1% 2020	1,708
Japan 0.2% 2017	1,332	European Investment Bank 3.125% 2015	1,421
France 1% 2018	1,320	Germany 0.25% 2018	1,363
US Treasury 1.25% 2020	1,315	US Treasury 1.25% 2020	1,311
Italy 3.5% 2018	1,266	Japan 0.2% 2017	1,276
Spain 0% Jun 2014	1,233	Italy 3.5% 2018	1,214
Germany 1% 2018	1,149	New Zealand 4.5% 2016	1,186
Europe Financial Stability Facility 0.875% 2018	1,061	Spain 3.3% 2014	1,075
Italy 3.5% 2017	903	Europe Financial Stability Facility 0.875% 2018	1,051
Japan 1.9% 2023	876	France 3.5% 2020	979
ASB Finance 1.5% 2018	846	Germany 4.75% 2028	963
European Financial Stability Facility 1.25% 2019	828	Italy 4.75% 2021	906
Italy 0% Aug 2014	821	US Treasury 3.125% 2041	845

^ Deemed to be investment in related parties of the ACD

Financial statements

Statement of total return

For the year ending 31 January

	£'000	2014 £'000	£'000	2013 £'000
Income				
Net capital gains (Note 1)		138		1,550
Revenue (Note 2)	1,349		1,439	
Expenses (Note 3)	(471)		(460)	
Net revenue before taxation	878		979	
Taxation (Note 4)	(1)		-	
Net revenue after taxation		877		979
Total return before distributions		1,015		2,529
Finance costs: Distributions (Note 5)		(878)		(978)
Change in net assets attributable to shareholders from investment activities		137		1,551

Statement of change in net assets attributable to shareholders

For the year ending 31 January

	£'000	2014 £'000	£'000	2013 £'000
Opening net assets attributable to shareholders		66,956		53,043
Amounts receivable on issue of shares	6,527		22,554	
Amounts payable on cancellation of shares	(15,741)		(11,105)	
		(9,214)		11,449
Change in net assets attributable to shareholders from investment activities (see above)		137		1,551
Retained distributions on accumulation shares		725		912
Unclaimed distributions		1		1
Closing net assets attributable to shareholders		58,605		66,956

Balance sheet

As at 31 January

	£'000	2014 £'000	£'000	2013 £'000
ASSETS				
Investment assets		59,067		68,298
Debtors (Note 7)	536		899	
Cash and bank balances (Note 8)	652		1,028	
Total other assets		1,188		1,927
Total assets		60,255		70,225
LIABILITIES				
Investment liabilities		(419)		(2,605)
Creditors (Note 9)	(1,214)		(650)	
Distribution payable on income shares	(17)		(14)	
Total other liabilities		(1,231)		(664)
Total liabilities		(1,650)		(3,269)
Net assets attributable to shareholders		58,605		66,956

The notes to these financial statements are shown on pages 139 to 141.

Notes to the financial statements for the year ending 31 January 2014

1. Net capital gains

	2014	2013
	£'000	£'000
Currency gains	136	653
Derivative contracts	(248)	(57)
Forward currency contracts	3,143	495
Non-derivative securities	(2,893)	459
Net capital gains	138	1,550

2. Revenue

	2014	2013
	£'000	£'000
Income from Liquidity funds	3	8
Interest on bank and term deposits	1	2
Interest on fixed-interest securities	1,345	1,429
Total revenue	1,349	1,439

3. Expenses

	2014	2013
	£'000	£'000
Payable to the ACD or associate of the ACD:		
ACD fee	397	395
Fixed expenses	74	65
Total expenses	471	460

4. Taxation

	2014	2013
	£'000	£'000
a) Analysis of charge in the year		
Overseas tax suffered	1	-
Current year tax charge (Note 4b)	1	-

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.

	2014	2013
	£'000	£'000
Net revenue before taxation	878	979
Corporation tax at 20%	176	196
Effects of:		
Interest distributions deductible for tax purposes	(176)	(196)
Overseas tax suffered	1	-
	(175)	(196)
Current year tax charge (Note 4a)	1	-

No deferred tax asset has been recognised in the financial statements. At the year end date, the Fund had a potential unrecognised deferred tax asset of £2,040 (31.01.13: £1,626) in relation to £10,199 (31.01.13: £8,131) of excess interest distributions 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.

5. Finance costs

Distributions

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

	2014	2013
	£'000	£'000
Interim interest distribution	441	469
Final interest distribution	421	567
Add: Amounts payable on cancellation of shares	36	28
Deduct: Amounts receivable on issue of shares	(20)	(86)
Total finance costs	878	978

Details of the distribution per share are set out on pages 142 to 143.

6. Movement between net revenue after taxation and distributions

	2014	2013
	£'000	£'000
Net revenue after taxation	877	979
Add: Undistributed revenue brought forward	3	2
Deduct: Undistributed revenue carried forward	(2)	(3)
	878	978

7. Debtors

	2014	2013
	£'000	£'000
Accrued income	508	670
Due from the ACD for shares created	26	-
Overseas tax recoverable	2	1
Sales awaiting settlement	-	228
Total debtors	536	899

8. Cash and bank balances

	2014	2013
	£'000	£'000
Amounts held at futures clearing houses and brokers	268	223
Cash and bank balances	384	805
Total cash and bank balances	652	1,028

9. Creditors

	2014	2013
	£'000	£'000
Accrued expenses	38	43
Due to the ACD for shares cancelled	96	6
Income tax payable	46	51
Purchases awaiting settlement	1,034	550
Total creditors	1,214	650

10. Portfolio transaction costs

No portfolio transactions costs were incurred during the current or prior year.

Notes to the financial statements – continued

11. 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 £107,824 (31.01.13: £48,943). Details of related party transactions are given under note 13 on page 413.

Investments considered to be related parties have been identified in the portfolio statement on pages 135 to 136 and the revenue from these investments was £3,140 (31.01.13: £7,858).

The gross stocklending income received was £nil (31.01.13: £13), with fees deducted of £nil (31.01.13: £2).

The following parties held a material interest in the Fund at the year end date:

- Chase Nominees Ltd Acc 22107 52.82% (31.01.13: 47.73%)
- JPMorgan Life Ltd 31.45% (31.01.13: 0.00%)

12. 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.

Currency	Net foreign currency assets/(liabilities)		
	Total £'000	Monetary exposures £'000	Non-monetary exposures £'000
31.01.14			
Euro	35,923	(144)	36,067
US Dollar	12,499	110	12,389
Japanese Yen	7,027	(126)	7,153
Canadian Dollar	870	44	826
Danish Krone	742	15	727
Swedish Krona	345	16	329
Australian Dollar	303	18	285
New Zealand Dollar	2	2	-
Singapore Dollar	1	1	-
31.01.13			
Euro	30,002	(1,491)	31,493
US Dollar	17,251	(286)	17,537
Japanese Yen	10,039	199	9,840
New Zealand Dollar	1,650	(29)	1,679
Mexican Peso	1,386	13	1,373
Canadian Dollar	960	(10)	970
Danish Krone	736	(35)	771
Brazilian Real	544	24	520
Swedish Krona	357	(3)	360
Korean Won	337	-	337
Australian Dollar	319	17	302
Singapore Dollar	1	1	-

Interest rate risk

The tables below detail the interest rate profile of the Fund's assets and liabilities as at the year end.

Currency	Total assets £'000	Floating rate financial assets £'000	Fixed rate financial assets £'000	Financial assets not carrying any interest £'000
31.01.14				
Euro	36,957	163	36,158	636
US Dollar	12,499	66	12,303	130
Swiss Franc	7,027	52	7,132	(157)
UK Sterling	1,090	1,064	-	26
Canadian Dollar	870	(2)	826	46
Danish Krone	742	-	727	15
Swedish Krona	345	(1)	329	17
Australian Dollar	303	10	280	13
New Zealand Dollar	2	-	-	2
Singapore Dollar	1	1	-	-
31.01.13				
Euro	30,553	98	31,489	(1,034)
US Dollar	17,251	145	17,574	(468)
Japanese Yen	10,039	47	9,839	153
UK Sterling	3,487	3,487	-	-
New Zealand Dollar	1,650	3	1,679	(32)
Mexican Peso	1,386	-	1,373	13
Canadian Dollar	960	-	970	(10)
Danish Krone	736	-	771	(35)
Brazilian Real	544	24	520	-
Swedish Krona	357	-	360	(3)
Korean Won	337	-	337	-
Australian Dollar	319	23	306	(10)
Singapore Dollar	1	1	-	-

The floating rate financial assets comprise investments in variable interest rate paying corporate debt and bank balances that bear interest at rates based on LIBOR or its overseas equivalent.

Currency	Total liabilities £'000	Floating rate financial liabilities £'000	Financial liabilities not carrying any interest £'000
31.01.14			
Euro	1,034	-	1,034
UK Sterling	197	-	197
31.01.13			
Euro	551	-	551
UK Sterling	113	-	113

Notes to the financial statements – continued

Currency	Fixed rate financial assets	
	Weighted average interest rate	Weighted average period for which rate is fixed (years)
31.01.14		
Australian Dollar	3.7%	8.3
Canadian Dollar	2.0%	9.4
Euro	1.5%	5.9
Swedish Krona	1.5%	5.1
US Dollar	1.4%	5.9
Japanese Yen	1.1%	17.3
UK Sterling	0.5%	0.0
Danish Krone	0.3%	3.8
31.01.13		
Brazilian Real	9.2%	7.9
Mexican Peso	7.8%	0.9
Australian Dollar	3.3%	8.4
Korean Won	2.6%	1.6
Euro	2.1%	7.2
New Zealand Dollar	2.1%	5.3
Canadian Dollar	2.0%	11.2
US Dollar	1.7%	8.4
Swedish Krona	1.6%	6.1
Japanese Yen	1.1%	14.6
Danish Krone	0.7%	4.8

For consideration of other risks including liquidity, pricing and credit risk, please refer to the notes to the aggregated financial statements, pages 413 to 414.

13. 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 fixed expenses charge are shown below.

	ACD fee	Fixed expenses
Class A shares:	0.75%	0.18%
Class B shares:	0.50%	0.18%
Class C shares:	0.40%	0.18%
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 page 134. All classes have the same rights on winding up.

14. Derivatives

The Fund enters into derivative transactions in the form of forward currency contracts, futures, options and credit default swaps for the purpose of efficient portfolio management. The positive mark to market approach has been used to calculate the global exposure.

Further information on the derivative risks can be found in the notes to the aggregated financial statements on page 414.

15. Contingent liabilities and capital commitments

At the balance sheet date there were no contingent liabilities or capital commitments (2013: none).

Distribution tables

Final interest distribution in pence per share

Group 1 – Shares purchased prior to 1 August 2013

Group 2 – Shares purchased 1 August 2013 to 31 January 2014

	Gross revenue	Tax at 20%	Net revenue	Equalisation	Distribution payable 30.04.14	Distribution paid 30.04.13
A-Class Accumulation Shares						
Group 1	1.525000	0.305000	1.220000	-	1.220000	1.240000
Group 2	0.682246	0.136449	0.545797	0.674203	1.220000	1.240000
A-Class Income Shares						
Group 1	1.212500	0.242500	0.970000	-	0.970000	1.000000
Group 2	0.652836	0.130567	0.522269	0.447731	0.970000	1.000000
B-Class Accumulation Shares						
Group 1	2.125000	0.425000	1.700000	-	1.700000	1.350000
Group 2	2.125000	0.425000	1.700000	0.000000	1.700000	1.350000
C-Class Accumulation Shares						
Group 1	0.850000	0.170000	0.680000	-	0.680000	0.680000
Group 2	0.364923	0.072985	0.291938	0.388062	0.680000	0.680000
C-Class Gross Accumulation Shares						
Group 1	0.980000	0.000000	0.980000	-	0.980000	0.820000
Group 2	0.980000	0.000000	0.980000	0.000000	0.980000	0.820000
C-Class Gross Income Shares						
Group 1	0.960000	0.000000	0.960000	-	0.960000	0.820000
Group 2	0.960000	0.000000	0.960000	0.000000	0.960000	0.820000
C-Class Income Shares						
Group 1	0.850000	0.170000	0.680000	-	0.680000	0.680000
Group 2	0.280991	0.056198	0.224793	0.455207	0.680000	0.680000
I-Class Accumulation Shares						
Group 1	1.350000	0.270000	1.080000	-	1.080000	1.060000
Group 2	1.350000	0.270000	1.080000	0.000000	1.080000	1.060000
I-Class Gross Accumulation Shares						
Group 1	1.060000	0.000000	1.060000	-	1.060000	1.100000
Group 2	0.076424	0.000000	0.076424	0.983576	1.060000	1.100000
I-Class Income Shares						
Group 1	1.050000	0.210000	0.840000	-	0.840000	0.840000
Group 2	0.744481	0.148896	0.595585	0.244415	0.840000	0.840000

Distribution tables – continued

Interim interest distribution in pence per share

Group 1 – Shares purchased prior to 1 February 2013

Group 2 – Shares purchased 1 February 2013 to 31 July 2013

	Gross revenue	Tax at 20%	Net revenue	Equalisation	Distribution paid 31.10.13	Distribution paid 31.10.12
A-Class Accumulation Shares						
Group 1	1.487500	0.297500	1.190000	-	1.190000	1.210000
Group 2	0.853916	0.170783	0.683133	0.506867	1.190000	1.210000
A-Class Income Shares						
Group 1	1.200000	0.240000	0.960000	-	0.960000	0.970000
Group 2	0.630136	0.126027	0.504109	0.455891	0.960000	0.970000
B-Class Accumulation Shares						
Group 1	1.850000	0.370000	1.480000	-	1.480000	-
Group 2	1.850000	0.370000	1.480000	0.000000	1.480000	-
C-Class Accumulation Shares						
Group 1	0.825000	0.165000	0.660000	-	0.660000	-
Group 2	0.566336	0.113267	0.453069	0.206931	0.660000	-
C-Class Gross Accumulation Shares						
Group 1	0.890000	0.000000	0.890000	-	0.890000	-
Group 2	0.890000	0.000000	0.890000	0.000000	0.890000	-
C-Class Gross Income Shares						
Group 1	0.880000	0.000000	0.880000	-	0.880000	-
Group 2	0.880000	0.000000	0.880000	0.000000	0.880000	-
C-Class Income Shares						
Group 1	0.850000	0.170000	0.680000	-	0.680000	-
Group 2	0.379844	0.075969	0.303875	0.376125	0.680000	-
I-Class Accumulation Shares						
Group 1	1.262500	0.252500	1.010000	-	1.010000	1.030000
Group 2	1.262500	0.252500	1.010000	0.000000	1.010000	1.030000
I-Class Gross Accumulation Shares						
Group 1	1.030000	0.000000	1.030000	-	1.030000	1.070000
Group 2	0.235858	0.000000	0.235858	0.794142	1.030000	1.070000
I-Class Income Shares						
Group 1	1.000000	0.200000	0.800000	-	0.800000	0.820000
Group 2	1.000000	0.200000	0.800000	0.000000	0.800000	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.

JPM Global Financials Fund

Investment objective and policy

To provide capital growth over the long term by investing throughout the world primarily in financial services sectors.

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

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

Risk profile

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

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

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

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

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

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

Over the 12-month period the Fund underperformed its benchmark. Stock-picking was strong across a number of sectors, in particular life and health insurance and capital markets. By region, stock picking in North America added significant alpha, while our exposure to emerging markets detracted from performance. Holding cash in a strongly rising market detracted from our relative returns. The financials sector has come a long way since the crisis, as macro risks have been neutralised by central banks and investor risk aversion to the sector has moderated. We are now in a period of accelerating growth across developed markets, stable inflation and robust corporate earnings. All these factors are beneficial for financial stocks.

Fund outlook

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

12 month performance as at 31 January

	2014	2013	2012	2011	2010
JPM Global Financials					
A-Class Acc	5.4%	24.3%	-16.4%	11.3%	42.6%
JPM Global Financials					
B-Class Acc	5.9%	-	-	-	-
JPM Global Financials					
C-Class Acc	6.1%	-	-	-	-
Benchmark Index	10.7%	25.9%	-13.6%	14.2%	36.9%

Fund statistics

Risk and Reward Profile	6*
Fund size	£115.7m
Benchmark Index	MSCI World Financials Index (Net)
Fund charges	
A-Class	Initial 3.00%, Annual 1.50%
B-Class	Initial Nil, Annual 1.00%
C-Class	Initial Nil, Annual 0.75%

Top ten holdings (excluding Liquidity funds)

	%
Wells Fargo	5.4
HSBC	5.2
Bank of America	4.8
Citigroup	4.6
AXA	2.4
ACE	2.3
Allianz	2.3
Metlife	2.1
Morgan Stanley	2.0
UBS	1.9

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

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

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

Source: J.P. Morgan.

Benchmark Source: MSCI. Neither MSCI nor any other party involved in or related to compiling, computing or creating the MSCI data makes any express or 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.

Geographical breakdown

	%
United States of America	36.5
United Kingdom	14.5
China	6.2
Canada	6.1
Australia	4.7
Switzerland	4.5
India	4.2
Germany	3.9
France	3.9
Hong Kong	3.7
Japan	2.9
Italy	2.3
Liquidity funds	1.6
Sweden	1.1
Spain	1.0
South Korea	1.0
Indonesia	0.9
Russia	0.6
South Africa	0.6
Austria	0.4
Forward currency contracts	(0.2)
Net other liabilities	(0.4)

Portfolio turnover rate

31.01.13	61.4%
31.01.14	77.5%

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

Portfolio transaction costs

	Broker Commissions	Transaction Taxes	Total
31.01.13	0.11%	0.05%	0.16%
31.01.14	0.06%	0.03%	0.09%

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

Stamp duty reserve tax

31.01.13	0.00%
31.01.14	0.00%

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

Highest/lowest share price and distribution record

Calendar year	Highest share price	Lowest share price	Distribution per share (net)
A-Class Accumulation Shares			
2009	610.9p	276.2p	17.59p
2010	626.5p	510.7p	4.99p
2011	611.0p	395.3p	3.87p
2012	558.6p	442.7p	5.25p
2013	682.4p	563.2p	4.83p
2014 ^a	683.9p	641.5p	5.18p
A-Class Income Shares			
2009	36.59p	16.54p	1.11p
2010	37.16p	30.29p	0.30p
2011	35.99p	23.29p	0.23p
2012	32.57p	25.81p	0.31p
2013	39.47p	32.83p	0.28p
2014 ^a	39.56p	37.11p	0.30p
B-Class Accumulation Shares^b			
2012	559.1p	515.0p	-
2013	685.8p	563.7p	5.60p
2014 ^a	688.0p	645.5p	8.37p
B-Class Income Shares^c			
2013	39.44p	37.82p	-
2014 ^a	39.58p	37.13p	0.33p
C-Class Accumulation Shares^d			
2012	112.1p	97.22p	-
2013	137.8p	113.0p	1.37p
2014 ^a	138.3p	129.8p	2.00p
C-Class Income Shares^d			
2012	112.1p	97.22p	-
2013	136.2p	113.0p	1.38p
2014 ^a	136.7p	128.2p	1.96p

^a To 31 January 2014.

^b B-Class Accumulation Shares were launched on 29 October 2012.

^c B-Class Income Shares were launched on 5 November 2013.

^d C-Class Accumulation Shares and C-Class Income Shares were launched on 20 August 2012.

Net asset values and Ongoing charges

Date	Net asset value per share class £'000	Number of shares	Net asset value per share	Ongoing charges
A-Class Accumulation Shares				
31.01.12	100,024	20,430,665	489.6p	1.68%
31.01.13	115,475	18,974,508	608.6p	1.68%
31.01.14	109,529	17,069,688	641.7p	1.68%
A-Class Income Shares				
31.01.12	1,941	6,800,801	28.54p	1.68%
31.01.13	2,374	6,745,282	35.20p	1.68%
31.01.14	2,342	6,361,248	36.81p	1.68%
B-Class Accumulation Shares				
31.01.13	29	4,706	609.4p	1.18%
31.01.14	206	31,887	645.6p	1.18%
B-Class Income Shares				
31.01.14	3	7,000	36.8p	1.18%
C-Class Accumulation Shares				
31.01.13	25	19,913	122.2p	0.93%
31.01.14	2,747	2,116,948	129.8p	0.93%
C-Class Income Shares				
31.01.13	5	4,369	120.8p	0.93%
31.01.14	869	688,339	126.3p	0.93%

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

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

Portfolio statement

As at 31 January 2014

Investment	Holding	Market value £'000	Total net assets %
United States of America - 36.5% (35.9%)			
ACE	46,755	2,702	2.3
AFLAC	26,918	1,033	0.9
American Express	39,015	2,054	1.8
Ameriprise Financial	18,900	1,222	1.0
Bank of America	540,121	5,556	4.8
Capital One Financial	48,126	2,075	1.8
Citigroup	180,884	5,307	4.6
Everest Re Group	11,195	1,007	0.9
Hartford Financial Services Group	100,382	2,058	1.8
Intercontinental Exchange Group	6,185	786	0.7
Invesco	69,535	1,415	1.2
Metlife	81,385	2,461	2.1
Morgan Stanley	129,505	2,359	2.0
PNC Financial Services Group	43,706	2,167	1.9
State Street	53,250	2,207	1.9
US Bancorp Delaware	65,873	1,605	1.4
Wells Fargo	222,255	6,217	5.4
United Kingdom - 14.5% (11.7%)			
Aviva	406,528	1,796	1.6
Barclays	794,665	2,128	1.8
British Land	125,776	824	0.7
Direct Line Insurance Group	361,946	952	0.8
HSBC	966,787	5,985	5.2
Just Retirement Group	475,708	1,158	1.0
Partnership Assurance Group	195,128	631	0.6
Prudential	184,171	2,245	1.9
Standard Chartered	88,193	1,093	0.9
China - 6.2% (7.6%)			
China Construction Bank 'H'	4,616,770	1,944	1.7
China Merchants Bank 'H'	2,055,614	2,204	1.9
China Overseas Land & Investments	706,000	1,155	1.0
Industrial & Commercial Bank of China 'H'	3,018,000	1,136	1.0
Ping An Insurance 'H'	142,000	698	0.6
Canada - 6.1% (6.3%)			
Bank of Nova Scotia	49,106	1,645	1.4
Canadian Imperial Bank of Commerce	33,197	1,563	1.4
Royal Bank of Canada	46,626	1,761	1.5
Toronto-Dominion Bank	39,332	2,074	1.8
Australia - 4.7% (5.1%)			
Australia & New Zealand Bank Group	136,703	2,179	1.9
Commonwealth Bank of Australia	28,936	1,136	1.0
National Australia Bank	65,300	1,149	1.0
Westpac Banking	59,667	974	0.8
Switzerland - 4.5% (3.8%)			
Credit Suisse Group	73,689	1,350	1.2
UBS	187,963	2,245	1.9
Zurich Insurance Group	9,052	1,585	1.4
India - 4.2% (2.8%)			
Axis Bank	90,278	983	0.8
Housing Development Finance	160,303	1,252	1.1
Yes Bank	490,825	1,465	1.3
ICICI Bank	115,648	1,109	1.0
Germany - 3.9% (2.7%)			
Allianz	26,541	2,673	2.3
Deutsche Bank	63,038	1,838	1.6
France - 3.9% (5.2%)			
AXA	175,835	2,784	2.4
BNP Paribas	36,136	1,684	1.5
Hong Kong - 3.7% (3.6%)			
Agile Property	1,706,000	950	0.8
Aia Group	203,000	569	0.5
Cheung Kong	69,000	621	0.5
Hang Lung Properties	440,000	740	0.7
Henderson Land Development	189,200	618	0.5
Sun Hung Kai Properties	109,000	807	0.7
Japan - 2.9% (2.2%)			
Mitsubishi UFJ Financial Group	476,600	1,765	1.5
Sumitomo Mitsui Financial Group	54,500	1,562	1.4
Italy - 2.3% (0.4%)			
Assicurazioni Generali	77,501	1,016	0.9
UniCredit	363,395	1,630	1.4

Investment	Holding	Market value £'000	Total net assets %
Sweden - 1.1% (1.5%)			
Nordea Bank	157,410	1,269	1.1
Spain - 1.0% (1.2%)			
Banco Santander	232,371	1,205	1.0
Banco Santander (Rfd)	5,403	28	-
South Korea - 1.0% (0.9%)			
Samsung Fire & Marine	8,449	1,171	1.0
Indonesia - 0.9% (1.1%)			
Bank Rakyat Indonesia	2,631,500	1,090	0.9
Russia - 0.6% (0.8%)			
Sberbank ADR	112,857	739	0.6
South Africa - 0.6% (1.1%)			
African Bank Investments	1,140,207	646	0.6
Austria - 0.4% (0.0%)			
Raiffeisen Bank (Placing)	15,747	368	0.3
Raiffeisen Bank (Placing subject to clawback)	4,251	100	0.1
Forward currency contracts - (0.2)% ((0.4)%)			
Australian Dollar			
Buy AUD 7,554,436 sell £4,162,066 dated 13/03/14		(174)	(0.2)
Sell AUD 1,275,302 buy £700,193 dated 13/03/14		27	-
Canadian Dollar			
Buy CAD 2,930,170 sell £1,676,350 dated 13/03/14		(87)	(0.1)
Danish Krone			
Buy DKK 4,043,430 sell £453,758 dated 13/03/14		(7)	-
Euro			
Buy €4,349,935 sell £3,620,572 dated 13/03/14		(39)	-
Sell €448,790 buy £369,192 dated 13/03/14		0	-
Hong Kong Dollar			
Buy HKD17,570,491 sell £1,380,343 dated 13/03/14		(5)	-
Sell HKD123,872,582 buy £9,770,513 dated 13/03/14		75	0.1
Japanese Yen			
Buy ¥122,373,900 sell £703,880 dated 13/03/14		24	-
Buy ¥1,160,458,923 sell £6,954,624 dated 13/03/14		(55)	-
Sell ¥120,991,067 buy £711,063 dated 13/03/14		(8)	-
Norwegian Krone			
Buy NOK 3,062,969 sell £302,574 dated 13/03/14		(7)	-
Singapore Dollar			
Buy SGD 3,622,107 sell £1,767,804 dated 13/03/14		(46)	-
Swedish Krone			
Buy SEK 10,799,152 sell £1,011,534 dated 13/03/14		(10)	-
Swiss Franc			
Buy CHF 1,840,637 sell £1,230,093 dated 13/03/14		10	-
Sell CHF 3,172,111 buy £2,167,705 dated 13/03/14		30	-
US Dollar			
Buy \$4,246,678 sell £2,591,848 dated 13/03/14		(11)	-
Sell \$3,502,291 buy £2,142,386 dated 13/03/14		14	-
Sell \$2,955,479 buy £1,792,421 dated 13/03/14		(4)	-
Liquidity funds - 1.6% (4.8%)			
JPM Sterling Liquidity 'X' (Distribution)^§	1,873,075	1,873	1.6
Investment assets (including investment liabilities)		116,123	100.4
Net other liabilities		(427)	(0.4)
Net assets		115,696	100.0

Unless otherwise stated the above securities are admitted to official stock exchange listings or trade on a regulated market.

The comparative percentage figures in brackets are at 31 January 2013.

^ Deemed to be investment in related parties of the ACD

§ Approved security as defined in the Collective Investment Schemes sourcebook

Portfolio statement – continued

As at 31 January 2014

Counterparty exposure

Counterparty	Forward currency contracts £'000	Total £'000
Barclays	(1)	(1)
CitiBank	(2)	(2)
Commonwealth Bank of Australia	(1)	(1)
Credit Suisse	(37)	(37)
Deutsche Bank	(17)	(17)
Morgan Stanley	(97)	(97)
Societe Generale	6	6
State Street	23	23
UBS	(184)	(184)
Westpac Banking Corp	37	37

At the balance sheet date, there was no collateral received by the fund from the above counterparties.

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.

Portfolio movements

For the year ending 31 January 2014

	£'000		£'000
Total of all purchases for the year (Note 10)	52,421	Total of all sales for the year (Note 10)	63,066
Major purchases	Cost	Major sales	Proceeds
JPM Sterling Liquidity 'X' (Distribution)^	16,912	JPM Sterling Liquidity 'X' (Distribution)^	20,650
HSBC	2,453	Prudential Financial	4,058
Aviva	1,913	Societe Generale	3,113
Deutsche Bank	1,908	ING Groep	2,059
Zurich Financial Services	1,601	Nordea Bank	2,031
Yes Bank	1,582	Swiss Re	1,670
Unicredit	1,439	Zurich Financial Services	1,596
UBS	1,401	Royal Bank of Scotland Group	1,555
Assicurazioni Generali	1,251	Ameriprise Financial	1,502
Danske Bank	1,226	Danske Bank	1,330
Nordea Bank	1,185	China Minsheng Banking 'H'	1,272
ICICI Bank	1,090	Banca Generali	1,230
Just Retirement Group	1,076	Metlife	1,210
China Merchants Bank 'H'	889	CME Group 'A'	1,058
China Overseas Land & Investments	860	Delta Lloyd	1,036
Partnership Assurance Group	769	Cielo	989
Banca Generali	738	Axis Capital	937
Swiss Re	722	Deutsche Boerse	919
ING Groep	642	Wells Fargo	883
Cheung Kong	639	AXA	873

^ Deemed to be investment in related parties of the ACD

Financial statements

Statement of total return

For the year ending 31 January

	2014	2013
£'000	£'000	£'000
Income		
Net capital gains (Note 1)	5,521	22,181
Revenue (Note 2)	3,257	2,921
Expenses (Note 3)	(2,033)	(1,708)
Net revenue before taxation	1,224	1,213
Taxation (Note 4)	(224)	(241)
Net revenue after taxation	1,000	972
Total return before distributions	6,521	23,153
Finance costs: Distributions (Note 5)	(1,008)	(973)
Change in net assets attributable to shareholders from investment activities	5,513	22,180

Statement of change in net assets attributable to shareholders

For the year ending 31 January

	2014	2013
£'000	£'000	£'000
Opening net assets attributable to shareholders	117,908	101,965
Amounts receivable on issue of shares	8,270	11,669
Amounts payable on cancellation of shares	(16,920)	(18,820)
	(8,650)	(7,151)
Change in net assets attributable to shareholders from investment activities (see above)	5,513	22,180
Retained distributions on accumulation shares	929	917
Stamp duty reserve tax	(4)	(3)
Closing net assets attributable to shareholders	115,696	117,908

Balance sheet

As at 31 January

	2014	2013
£'000	£'000	£'000
ASSETS		
Investment assets	116,576	119,802
Debtors (Note 7)	198	1,348
Cash and bank balances (Note 8)	238	257
Total other assets	436	1,605
Total assets	117,012	121,407
LIABILITIES		
Investment liabilities	(453)	(961)
Creditors (Note 9)	(830)	(2,519)
Distribution payable on income shares	(33)	(19)
Total other liabilities	(863)	(2,538)
Total liabilities	(1,316)	(3,499)
Net assets attributable to shareholders	115,696	117,908

The notes to these financial statements are shown on pages 150 to 151.

Notes to the financial statements for the year ending 31 January 2014

1. Net capital gains

	2014	2013
	£'000	£'000
Currency (losses)/gains	(403)	201
Forward currency contracts	(1,767)	(975)
Non-derivative securities	7,691	22,955
Net capital gains	5,521	22,181

2. Revenue

	2014	2013
	£'000	£'000
Franked income from UK equity investments	405	345
Income from Liquidity funds	12	22
Income from overseas equity investments	2,796	2,546
Interest on bank and term deposits	1	1
Property income distributions	33	7
Stock dividends	10	-
Total revenue	3,257	2,921

3. Expenses

	2014	2013
	£'000	£'000
Payable to the ACD or associate of the ACD:		
ACD fee	1,814	1,525
Fixed expenses	219	183
Total expenses	2,033	1,708

4. Taxation

	2014	2013
	£'000	£'000
a) Analysis of charge in the year		
Overseas tax suffered	224	241
Current year tax charge (Note 4b)	224	241

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	1,224	1,213
Corporation tax at 20%	245	243
Effects of:		
Dividends not subject to corporation tax	(638)	(551)
Excess expenses for which no relief taken	393	308
Overseas tax suffered	224	241
	(21)	(2)
Current year tax charge (Note 4a)	224	241

No deferred tax asset has been recognised in the financial statements. At the year end date, the Fund had a potential unrecognised deferred tax asset of £2,009,508 (31.01.13: £1,616,332) in relation to £10,047,538 (31.01.13: £8,081,660) 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.

5. Finance costs

Distributions

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

	2014	2013
	£'000	£'000
Final dividend distribution	962	936
Add: Amounts payable on cancellation of shares	135	100
Deduct: Amounts receivable on issue of shares	(89)	(63)
Total finance costs	1,008	973

Details of the distribution per share are set out on page 152.

6. Movement between net revenue after taxation and distributions

	2014	2013
	£'000	£'000
Net revenue after taxation	1,000	972
Add: Undistributed revenue brought forward	1	2
Deduct: Undistributed revenue carried forward	(1)	(1)
Equalisation on conversions	8	-
	1,008	973

7. Debtors

	2014	2013
	£'000	£'000
Accrued income	51	71
Due from the ACD for shares created	63	151
Overseas tax recoverable	84	36
Sales awaiting settlement	-	1,090
Total debtors	198	1,348

8. Cash and bank balances

	2014	2013
	£'000	£'000
Cash and bank balances	238	257

9. Creditors

	2014	2013
	£'000	£'000
Accrued expenses	170	161
Due to the ACD for shares cancelled	173	35
Purchases awaiting settlement	487	2,323
Total creditors	830	2,519

Notes to the financial statements – continued

10. Portfolio transaction costs

	2014 £'000	2013 £'000
Analysis of total purchase costs		
Purchases in year before transaction costs	52,338	76,718
Commissions	33	44
Taxes	50	28
Total purchase costs	83	72
Gross purchases total	52,421	76,790
Analysis of total sale costs		
Gross sales before transaction costs	63,102	80,973
Commissions	(33)	(42)
Taxes	(3)	(10)
Total sale costs	(36)	(52)
Total sales net of transaction costs	63,066	80,921

11. 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 £280,154 (31.01.13: £45,767). Details of related party transactions are given under note 13 on page 413.

Investments considered to be related parties have been identified in the portfolio statement on page 146 and the revenue from these investments was £12,105 (31.01.13: £22,087).

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 £16,260 (31.01.13: £nil). Commission was paid to the associated company JPMorgan Securities Ltd.

12. 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.

Currency	Net foreign currency assets/(liabilities)		
	Total £'000	Monetary exposures £'000	Non-monetary exposures £'000
31.01.14			
US Dollar	41,472	(1,499)	42,971
Euro	16,482	3,156	13,326
Japanese Yen	10,235	6,908	3,327
Australian Dollar	8,753	3,315	5,438
Canadian Dollar	8,662	1,619	7,043
Indian Rupee	4,837	28	4,809
Swiss Franc	4,283	(897)	5,180
Hong Kong Dollar	3,121	(8,320)	11,441
Swedish Krona	2,271	1,002	1,269
Singapore Dollar	1,722	1,722	-
Korean Won	1,182	11	1,171
Indonesian Rupiah	1,090	-	1,090
South African Rand	646	-	646
Danish Krone	446	446	-
Norwegian Krone	296	296	-

31.01.13

US Dollar	40,103	(3,124)	43,227
Euro	16,078	2,898	13,180
Australian Dollar	10,705	4,669	6,036
Canadian Dollar	9,554	2,154	7,400
Japanese Yen	9,374	6,731	2,643
Swiss Franc	4,099	(434)	4,533
Hong Kong Dollar	4,050	(9,111)	13,161
Indian Rupee	3,352	33	3,319
Swedish Krona	2,155	355	1,800
Singapore Dollar	1,855	1,855	-
Indonesian Rupiah	1,351	1	1,350
South African Rand	1,329	3	1,326
Korean Won	1,085	-	1,085
Brazilian Real	900	-	900
Norwegian Krone	353	353	-

Interest rate risk

At the year end date, 1.8% (31.01.13: 5.0%) of the Fund's net assets by value were interest bearing, carrying a (fixed/floating) rate.

For consideration of other risks including liquidity, pricing and credit risk, please refer to the notes to the aggregated financial statements, pages 413 to 414.

13. 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 fixed expenses charge are shown below.

	ACD fee	Fixed expenses
Class A shares:	1.50%	0.18%
Class B shares:	1.00%	0.18%
Class C shares:	0.75%	0.18%

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 145. All classes have the same rights on winding up.

14. Derivatives

The Fund enters into derivative transactions in the form of forward currency contracts for the purpose of efficient portfolio management. The commitment approach has been used to calculate the global exposure.

Further information on the derivative risks can be found in the notes to the aggregated financial statements on page 414.

15. Contingent liabilities and capital commitments

At the balance sheet date there were no contingent liabilities or capital commitments (2013: none).

Distribution table

Final distribution in pence per share

Group 1 – Shares purchased prior to 1 February 2013

Group 2 – Shares purchased 1 February 2013 to 31 January 2014

	Gross revenue	Tax at 10%	Net revenue	Equalisation	Distribution payable 30.04.14	Distribution paid 30.04.13
A-Class Accumulation Shares						
Group 1	5.755556	0.575556	5.180000	-	5.180000	4.830000
Group 2	1.967640	0.196764	1.770876	3.409124	5.180000	4.830000
A-Class Income Shares						
Group 1	0.333333	0.033333	0.300000	-	0.300000	0.280000
Group 2	0.096301	0.009630	0.086671	0.213329	0.300000	0.280000
B-Class Accumulation Shares						
Group 1	9.300000	0.930000	8.370000	-	8.370000	5.600000
Group 2	6.399831	0.639983	5.759848	2.610152	8.370000	5.600000
B-Class Income Shares						
Group 1	0.366667	0.036667	0.330000	-	0.330000	-
Group 2	0.366667	0.036667	0.330000	0.000000	0.330000	-
C-Class Accumulation Shares						
Group 1	2.222222	0.222222	2.000000	-	2.000000	1.370000
Group 2	0.104111	0.010411	0.093700	1.906300	2.000000	1.370000
C-Class Income Shares						
Group 1	2.177778	0.217778	1.960000	-	1.960000	1.380000
Group 2	0.030194	0.003019	0.027175	1.932825	1.960000	1.380000

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 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. 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.

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

Despite uncertainty over monetary and fiscal policy and persistent interest rate pressure, steadily improving macro fundamentals and wide spreads relative to low defaults produced coupon-type returns for high yield bonds in the 12-month period. Overall, the asset class outperformed Treasuries, investment grade and emerging market bonds. Investors' desire for yield and positive corporate fundamentals continue to drive interest in the asset class.

The Fund underperformed its benchmark for the 12-month period. On a relative basis, contributions from banking/financials, media non-cable and paper detracted from Fund performance. Specifically, our weightings in Sprint Corporation, Reichhold Industries, Clear Channel Communications, Springleaf Finance Corporation and DISH DBS Corporation hindered annual results. On the positive side, security selection in health care, independent energy and technology enhanced performance. The largest positive contributions came from relative weightings in NII Holdings, Radiation Therapy Services, Ceva Group, First Data Corporation and Reynolds Group.

Fund outlook

We expect improving growth in the US and modestly positive growth globally in 2014. We anticipate corporate earnings will strengthen and corporate balance sheets will remain healthy and supportive of the high yield market. Default rates are forecast to remain below 2% through 2015. We expect tapering to continue throughout 2014 as US economic data improves, pushing Treasury rates gradually higher throughout the year. Importantly, we expect high yield to continue to exhibit strong relative performance vs. most other fixed income assets in 2014.

12 month performance as at 31 January

	2014	2013	2012	2011	2010
JPM Global High Yield Bond					
A-Class Acc	4.3%	12.0%	4.1%	12.5%	41.4%
JPM Global High Yield Bond					
B-Class Inc	4.6%	12.5%	4.4%	12.8%	-
JPM Global High Yield Bond					
C-Class Acc	4.9%	-	-	-	-
JPM Global High Yield Bond					
I-Class Acc	5.0%	12.9%	4.9%	13.2%	42.8%
JPM Global High Yield Bond					
X-Class Gross Acc	6.5%	15.3%	-	-	-
Benchmark Index ^A	6.9%	13.8%	5.0%	15.3%	37.8%

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

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

Source: J.P. Morgan.

^APlease note the benchmark for the JPM Global High Yield Bond Fund changed on 1 January 2010. The old benchmark was BofA Merrill Lynch US High Yield master II Constrained Index Hedged to GBP and the new benchmark is BofA Merrill Lynch US High Yield Master II Constrained Index hedged to GBP. However, over the period 1 January 2010 to 1 July 2012, the name of the benchmark was incorrectly reported as its predecessor although the underlying performance data was that of the correct benchmark BofA Merrill Lynch US High Yield Master II Constrained Index hedged to GBP. This has had no impact on the performance of the Fund.

Fund statistics

Risk and Reward Profile	5*
Fund size	£245.4m
Benchmark Index ^A	BofA Merrill Lynch US High Yield Master II Constrained Index Hedged to GBP
Fund charges	
A-Class	Initial 3.00%, Annual 1.10%
B-Class	Initial Nil, Annual 0.75%
C-Class	Initial Nil, Annual 0.55%
I-Class	Initial Nil, Annual 0.45%
X-Class	On application ^B

Top ten holdings

	%
HCA 7.5% 2022	1.5
Sprint Capital 8.75% 2032	1.3
Reynolds Group 9% 2019	1.0
First Data 8.75% 2022	1.0
Intelsat Jackson 7.25% 2020	0.9
Dish DBS 7.875% 2019	0.8
Ally Financial 6.25% 2017	0.8
Clear Channel Worldwide 'B' 6.5% 2022	0.7
HCA 7.75% 2021	0.7
Caesars Entertainment Operating 9% 2020	0.7

Sector breakdown

	%
Corporate debt	97.2
Forward currency contracts	(0.7)
Swaps	0.1
Net other assets	3.4

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.

Highest/lowest share price and distribution record

Calendar year	Highest share price	Lowest share price	Distribution per share
A-Class Accumulation Shares			
2009	71.79p	46.39p	4.06p
2010	80.28p	70.48p	4.87p
2011	83.64p	75.53p	5.07p
2012	93.59p	82.44p	4.98p
2013	98.33p	92.63p	5.02p
2014 ^C	99.32p	98.41p	1.22p
A-Class Income Shares			
2009	38.07p	25.79p	2.23p
2010	40.07p	36.76p	2.51p
2011	40.59p	35.86p	2.46p
2012	41.29p	38.25p	2.28p
2013	42.22p	39.78p	2.17p
2014 ^C	41.58p	41.21p	0.51p

Highest/lowest share price and distribution record (continued)

Calendar year	Highest share price	Lowest share price	Distribution per share
B-Class Accumulation Shares^D			
2013	100.0p	92.67p	3.69p
2014 ^C	99.55p	98.62p	1.23p
B-Class Income Shares^E			
2009	104.5p	100.0p	0.22p
2010	110.3p	100.8p	6.86p
2011	111.9p	99.01p	6.83p
2012	114.5p	105.8p	6.33p
2013	117.2p	110.5p	6.02p
2014 ^C	115.7p	114.6p	1.43p
C-Class Accumulation Shares^F			
2012	103.3p	99.75p	1.33p
2013	109.2p	102.6p	5.54p
2014 ^C	110.3p	109.3p	1.36p
C-Class Gross Accumulation Shares^F			
2012	103.6p	99.75p	1.44p
2013	110.5p	103.4p	6.80p
2014 ^C	111.7p	110.6p	1.63p
C-Class Income Shares^F			
2012	101.9p	98.53p	1.33p
2013	104.4p	98.43p	5.37p
2014 ^C	103.2p	102.2p	1.27p
C-Class Gross Income Shares^F			
2012	102.1p	98.61p	1.44p
2013	104.7p	98.63p	6.53p
2014 ^C	103.4p	102.4p	1.51p
I-Class Accumulation Shares			
2009	122.3p	78.39p	7.14p
2010	137.5p	120.2p	8.40p
2011	144.1p	130.3p	8.92p
2012	163.1p	142.5p	8.92p
2013	172.5p	162.0p	9.04p
2014 ^C	174.3p	172.7p	2.21p
I-Class Gross Accumulation Shares			
2009	111.5p	70.91p	7.89p
2010	127.4p	109.9p	9.72p
2011	134.9p	122.5p	10.34p
2012	155.7p	134.4p	10.40p
2013	166.6p	155.5p	10.49p
2014 ^C	168.4p	166.7p	2.54p

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

Highest/lowest share price and distribution record (Continued)

Calendar year	Highest share price	Lowest share price	Distribution per share
I-Class Income Shares			
2009	90.33p	60.96p	5.49p
2010	95.56p	87.30p	6.03p
2011	97.12p	86.07p	6.02p
2012	99.87p	92.18p	5.62p
2013	102.4p	96.52p	5.40p
2014 ^c	101.2p	100.3p	1.28p
I-Class Gross Income Shares^e			
2011	101.5p	91.70p	2.61p
2012	106.1p	97.98p	7.40p
2013	108.9p	102.6p	6.96p
2014 ^c	107.6p	106.5p	1.62p
X-Class Gross Accumulation Shares^h			
2012	114.6p	100.4p	5.24p
2013	123.1p	104.5p	7.65p
2014 ^c	124.5p	123.2p	1.86p

^c To 31 January 2014.

^g B-Class Accumulation Shares were launched on 21 February 2013.

^h B-Class Income Shares were launched on 14 October 2009.

ⁱ C-Class Accumulation Shares, C-Class Gross Accumulation Shares, C-Class Income Shares and C-Class Gross Income Shares were launched on 1 October 2012.

^e I-Class Gross Income Shares were launched 1 July 2011.

^h X-Class Gross Accumulation Shares were launched on 20 January 2012.

Portfolio turnover rate

31.01.13	53.5%
31.01.14	48.2%

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

Portfolio transaction costs

	Broker Commissions	Transaction Taxes	Total
31.01.13	0.00%	0.00%	0.00%
31.01.14	0.00%	0.00%	0.00%

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

Stamp duty reserve tax

31.01.13	0.00%
31.01.14	0.00%

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

Net asset values and Ongoing charges

Date	Net asset value per share class £'000	Number of shares	Net asset value per share	Ongoing charges
A-Class Accumulation Shares				
31.01.12	62,726	74,454,052	84.25p	1.28%
31.01.13	95,904	101,607,198	94.39p	1.28%
31.01.14	68,130	69,213,333	98.44p	1.28%
A-Class Income Shares				
31.01.12	87,978	227,047,334	38.75p	1.28%
31.01.13	104,700	254,955,667	41.07p	1.28%
31.01.14	84,097	206,603,372	40.70p	1.28%
B-Class Accumulation Shares				
31.01.14	369	374,243	98.67p	0.93%
B-Class Income Shares				
31.01.12	1,296	1,210,511	107.1p	0.90%
31.01.13	2,024	1,776,883	113.9p	0.93%
31.01.14	2,821	2,490,535	113.3p	0.93%
C-Class Accumulation Shares				
31.01.13	18	17,154	104.3p	0.73%
31.01.14	18,838	17,224,970	109.4p	0.73%
C-Class Gross Accumulation Shares				
31.01.13	1	1,000	104.6p	0.73%
31.01.14	4,029	3,636,964	110.8p	0.73%
C-Class Income Shares				
31.01.13	50	48,922	101.4p	0.73%
31.01.14	38,987	38,597,996	101.0p	0.73%
C-Class Gross Income Shares				
31.01.13	425	419,347	101.4p	0.73%
31.01.14	758	750,627	101.0p	0.73%
I-Class Accumulation Shares				
31.01.12	6	4,000	145.7p	0.45%
31.01.13	17	10,441	164.6p	0.45%
31.01.14	95	54,679	172.8p	0.45%
I-Class Gross Accumulation Shares				
31.01.12	15,326	11,145,161	137.5p	0.45%
31.01.13	5,679	3,609,784	157.3p	0.45%
31.01.14	3,715	2,224,354	167.0p	0.45%
I-Class Income Shares				
31.01.12	3,308	3,551,212	93.16p	0.45%
31.01.13	5,738	5,774,518	99.37p	0.45%
31.01.14	6,780	6,843,353	99.08p	0.45%
I-Class Gross Income Shares				
31.01.12	1,456	1,472,479	98.85p	0.45%
31.01.13	1,630	1,546,395	105.4p	0.45%
31.01.14	1,051	1,000,110	105.1p	0.45%
X-Class Gross Accumulation Shares				
31.01.12	505	502,512	100.6p	0.06%
31.01.13	9,886	8,528,512	115.9p	0.06%
31.01.14	15,727	12,737,781	123.5p	0.06%

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

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

Portfolio statement

As at 31 January 2014

Investment	Holding	Market value £'000	Total net assets %	Investment	Holding	Market value £'000	Total net assets %
Corporate debt - 97.2% (93.0%)							
US Dollar - 96.8%							
Academy 9.25% 2019	\$700,000	464	0.2	Caesars Entertainment Operating 8.5% 2020	\$1,995,000	1,154	0.5
Accellent 8.375% 2017	\$970,000	617	0.3	Caesars Entertainment Operating 9% 2020	\$2,900,000	1,709	0.7
Accellent 10% 2017	\$690,000	449	0.2	Calpine 7.875% 2020	\$232,000	154	0.1
Access Midstream Partners 5.875% 2021	\$335,000	216	0.1	Calpine 7.5% 2021	\$760,000	504	0.2
Access Midstream Partners 6.125% 2022	\$620,000	401	0.2	CBS Outdoor Americas Capital 5.25% 2022	\$135,000	82	-
Access Midstream Partners 4.875% 2023	\$425,000	253	0.1	CCO Holdings 7% 2019	\$1,400,000	897	0.4
Acco Brands 6.75% 2020	\$2,005,000	1,212	0.5	CCO Holdings 7.375% 2020	\$940,000	620	0.3
ACI Worldwide 6.375% 2020	\$585,000	371	0.2	CCO Holdings 5.25% 2021	\$1,065,000	626	0.3
Activision Blizzard 5.625% 2021	\$225,000	141	0.1	CCO Holdings 5.25% 2022	\$140,000	82	-
Activision Blizzard 6.125% 2023	\$110,000	69	-	CDW Financial 8.5% 2019	\$1,865,000	1,245	0.5
ADT 6.25% 2021	\$525,000	335	0.1	Central Garden & Pet 8.25% 2018	\$1,930,000	1,152	0.5
ADT 3.5% 2022	\$475,000	249	0.1	CenturyLink 5.8% 2022	\$2,265,000	1,361	0.6
AES 8% 2020	\$190,000	134	0.1	CenturyLink 6.75% 2023	\$1,655,000	1,021	0.4
AES 7.375% 2021	\$225,000	151	0.1	CEVA Group 8.375% 2017	\$1,145,000	729	0.3
AES 4.875% 2023	\$255,000	145	0.1	Chesapeake Energy 6.625% 2020	\$920,000	624	0.3
Aircastle 4.625% 2018	\$430,000	264	0.1	Chesapeake Energy 6.875% 2020	\$205,000	139	0.1
Aircastle 7.625% 2020	\$795,000	548	0.2	Chesapeake Energy 6.125% 2021	\$330,000	216	0.1
Albea Beauty 8.375% 2019	\$925,000	590	0.2	Chinos Intermediate Holdings 7.75% 2019	\$590,000	368	0.1
Alcatel-Lucent USA 6.75% 2020	\$415,000	260	0.1	Chiquita Brands International 7.875% 2021	\$1,000,000	656	0.3
Alcatel-Lucent USA 8.875% 2020	\$845,000	572	0.2	Chrysler Group 8.25% 2021	\$2,470,000	1,683	0.7
Alere 6.5% 2020	\$245,000	153	0.1	Cinemark USA 7.375% SNR 2021	\$585,000	394	0.2
Algeco Scotsman Global Finance 8.5% 2018	\$920,000	606	0.2	Cinemark USA 4.875% 2023	\$455,000	261	0.1
Allegion US Holding 5.75% 2021	\$390,000	245	0.1	CIT Group 4.25% 2017	\$1,030,000	650	0.3
Alliant Techsystems 5.25% 2021	\$440,000	270	0.1	CIT Group 5.25% 2018	\$1,180,000	765	0.3
Allison Transport 7.125% 2019	\$1,300,000	853	0.3	CIT Group 5.5% 2019	\$790,000	511	0.2
Ally Financial FRN 2016	\$565,000	351	0.1	Claire's Stores 8.875% 2019	\$835,000	493	0.2
Ally Financial 5.5% 2017	\$135,000	88	-	Claire's Stores 9% 2019	\$1,895,000	1,209	0.5
Ally Financial 6.25% 2017	\$3,030,000	2,046	0.8	Clear Harbors 5.25% 2020	\$1,225,000	760	0.3
Ally Financial 3.5% 2019	\$1,215,000	731	0.3	Clear Channel Communications 9% 2021	\$1,800,000	1,107	0.5
Ally Financial 7.5% 2020	\$1,445,000	1,034	0.4	Clear Channel Worldwide 7.625% 2020	\$65,000	41	-
AMC Entertainments 8.75% 2019	\$460,000	298	0.1	Clear Channel Worldwide 'B' 7.625% 2020	\$1,390,000	890	0.4
AMC Entertainments 9.75% 2020	\$1,450,000	1,011	0.4	Clear Channel Worldwide 6.5% 2022	\$925,000	575	0.2
American Axle & Manufacturing 7.75% 2019	\$600,000	415	0.2	Clear Channel Worldwide 'B' 6.5% 2022	\$3,165,000	1,976	0.7
American Tire Distributors 9.75% 2017	\$560,000	361	0.1	Cogent Communications 8.375% 2018	\$485,000	321	0.1
Amkor Technology 7.375% 2018	\$215,000	136	0.1	Commscope 8.25% 2019	\$809,000	534	0.2
Amkor Technology 6.625% 2021	\$525,000	333	0.1	Constellation Brands 3.75% 2021	\$305,000	178	0.1
Amkor Technology 6.375% 2022	\$130,000	81	-	Constellation Brands 4.25% 2023	\$35,000	20	-
Amsted Industries 8.125% 2018	\$510,000	325	0.1	Corrections Corporation of America 4.125% 2020	\$890,000	523	0.2
Anixter 5.625% 2019	\$370,000	235	0.1	Corrections Corporation of America 4.625% 2023	\$185,000	106	-
Antero Resources Finance 5.375% 2021	\$480,000	295	0.1	Crestwood Midstream Partners 6% 2020	\$75,000	47	-
Arcelormittal 6% 2021	\$795,000	505	0.2	Crosstex Energy 8.875% 2018	\$1,410,000	899	0.4
Arch Coal 7% 2019	\$610,000	288	0.1	Crosstex Energy 7.125% 2022	\$415,000	289	0.1
Arch Coal 8% 2019	\$225,000	136	0.1	Crown Castle International 5.25% 2023	\$955,000	576	0.2
Arch Coal 7.25% 2021	\$850,000	389	0.2	CSC Holdings 8.625% 2019	\$1,585,000	1,127	0.5
Ardagh Packaging Finance 7.375% 2017	\$345,000	224	0.1	Dana Holding 6.5% 2019	\$720,000	466	0.2
Ardagh Packaging Finance 7% 2020	\$78,529	48	-	Dana Holding 5.375% 2021	\$235,000	143	0.1
Ardagh Packaging Finance 9.125% 2020	\$2,180,000	1,450	0.6	Dana Holding 6.75% 2021	\$635,000	417	0.2
Armored Autogroup 9.25% 2018	\$700,000	410	0.2	Dana Holding 6% 2023	\$310,000	188	0.1
Ashland 4.75% 2022	\$1,560,000	907	0.4	DaVita Healthcare 6.375% 2018	\$255,000	162	0.1
Ashtead Capital 6.5% 2022	\$895,000	582	0.2	DaVita Healthcare 6.625% 2020	\$710,000	463	0.2
Aspect Software 10.625% 2017	\$645,000	398	0.2	Del Monte 7.625% 2019	\$2,165,000	1,367	0.6
Associated Material Finance 9.125% 2017	\$505,000	324	0.1	Denali Finance 5.625% 2020	\$1,545,000	929	0.4
Atkore International 9.875% 2018	\$814,000	532	0.2	Denbury Resources 8.25% 2020	\$520,000	346	0.1
Atwood Oceanics 6.5% 2020	\$295,000	192	0.1	Denbury Resources 4.625% 2023	\$575,000	321	0.1
Audatex North America 6% 2021	\$930,000	589	0.2	Dish DBS 7.875% 2019	\$2,985,000	2,070	0.8
Avaya 7% 2019	\$1,225,000	735	0.3	Dish DBS 5.125% 2020	\$465,000	283	-
Avis Budget Car Rental 4.875% 2017	\$65,000	41	-	Dish DBS 6.75% SNR 2021	\$1,610,000	1,047	0.4
Avis Budget Car Rental 8.25% 2019	\$1,595,000	1,043	0.3	Dish DBS 5.875% 2022	\$1,740,000	1,061	0.4
Avis Budget Car Rental 5.5% 2023	\$730,000	429	0.2	DJO Finance 7.75% SNR 2018	\$1,520,000	944	0.4
B&G Foods 4.625% 2021	\$300,000	177	0.1	DJO Finance 8.75% 2018	\$530,000	355	0.1
Bank of America 8% FRN Perpetual	\$1,735,000	1,181	0.5	DJO Finance 9.875% 2018	\$215,000	142	0.1
BC Mountain 7% 2021	\$210,000	131	0.1	Donnelley RR & Sons 7% 2022	\$160,000	104	-
Belden 5.5% 2022	\$1,235,000	732	0.3	Eagle Midco 9% 2018	\$365,000	232	0.1
Berry Petroleum 6.375% 2022	\$380,000	235	0.1	Easton-Bell Sports 9.75% 2016	\$1,780,000	1,126	0.5
Biomet 6.5% 2020	\$2,225,000	1,441	0.6	Eileme 11.625% 2020	\$720,000	518	0.2
Blackboard 7.75% 2019	\$645,000	398	0.2	El Paso 7.25% 2018	\$895,000	621	0.3
BMC Software Finance 8.125% 2021	\$300,000	189	0.1	Epicor Software 8.625% 2019	\$1,060,000	699	0.3
BOE Intermediate Holding 9% 2017	\$324,105	210	0.1	EV Energy Partner 8% 2019	\$1,365,000	843	0.3
BOE Merger 9.5% 2017	\$365,000	234	-	Everest Acquisition 6.875% 2019	\$965,000	630	0.3
Bombardier 7.75% 2020	\$925,000	621	0.3	Everest Acquisition 9.375% 2020	\$1,485,000	1,038	0.4
Bombardier 6.125% 2023	\$765,000	458	0.2	Everest Acquisition 7.75% 2022	\$1,055,000	708	0.3
Breitburn Energy Partners 8.625% 2020	\$590,000	386	0.2	FGI Operating 7.875% 2020	\$745,000	484	0.2
Breitburn Energy Partners 7.875% 2022	\$930,000	603	0.2	First Data 7.375% 2019	\$1,010,000	657	0.3
Building Materials 6.875% 2018	\$445,000	285	0.1	First Data 6.75% 2020	\$735,000	471	0.2
Building Materials 7.5% 2020	\$225,000	148	0.1	First Data 8.875% 2020	\$1,600,000	1,072	0.4
Building Materials 6.75% 2021	\$460,000	300	0.1	First Data 8.25% 2021	\$500,000	322	0.1
Bumble Bee Acquisition 9% 2017	\$1,327,000	883	0.4	First Data 12.625% 2021	\$1,827,000	1,295	0.5
BWAY 10% 2018	\$855,000	561	0.2	First Data 8.75% 2022	\$3,654,000	2,359	1.0
Caesars Entertainment Operating 11.25% 2017	\$1,700,000	1,051	0.4	FMG Resources 6.875% 2018	\$735,000	470	0.2
Caesars Entertainment Operating 8% 2020	\$885,000	561	0.2	FMG Resources 8.25% 2019	\$1,475,000	990	0.4
				Fresenius Medical Care 5.625% 2019	\$500,000	324	0.1

Portfolio statement – continued

As at 31 January 2014

Investment	Market value		Total net assets %	Investment	Market value		Total net assets %
	Holding	£'000			Holding	£'000	
FWCT-2 Escrow 5.125% 2021	\$240,000	147	0.1	Laredo Petroleum 5.625% 2022	\$245,000	148	0.1
FWCT-2 Escrow 6.875% 2022	\$485,000	302	0.1	Legacy Reserves Finance 8% 2020	\$745,000	474	0.2
Gardner Denver 6.875% 2021	\$455,000	277	0.1	Level 3 Financing 8.125% 2019	\$965,000	645	0.3
GCI 8.625% 2019	\$980,000	633	0.3	Level 3 Financing 8.625% 2020	\$785,000	534	0.2
GCI 6.75% 2021	\$535,000	314	0.1	Libbey Glass 6.875% 2020	\$658,000	431	0.2
Gencorp 7.125% 2021	\$1,275,000	831	0.3	Limited Brands 6.625% 2021	\$1,110,000	736	0.3
General Cable 5.75% 2022	\$945,000	567	0.2	Linn Energy 6.25% 2019	\$1,065,000	659	0.3
General Motors Financials 3.25% 2018	\$245,000	150	0.1	Linn Energy 7.75% 2021	\$1,555,000	1,004	0.4
General Motors Financials 4.25% 2023	\$350,000	204	0.1	LSB Industries 7.75% 2021	\$975,000	628	0.3
General Motors Financials 4.875% 2023	\$2,485,000	1,525	0.6	Lucent Technologie 6.45% 2029	\$430,000	236	0.1
Geo Group 6.625% 2021	\$640,000	411	0.2	Lynx I 5.375% 2021	\$1,010,000	614	0.3
Geo Group 5.875% 2022	\$695,000	421	0.2	Lynx II 6.375% 2023	\$200,000	124	0.1
Goodyear Tire & Rubber 8.25% 2020	\$770,000	520	0.2	Magnachip Semiconductor 6.625% 2021	\$885,000	551	0.2
Goodyear Tire & Rubber 8.75% 2020	\$375,000	269	0.1	Manitowoc 8.5% 2020	\$1,075,000	737	0.3
Goodyear Tire & Rubber 6.5% 2021	\$635,000	411	0.2	Mantech International 7.25% 2018	\$830,000	527	0.2
Great Lakes Dredge & Dock 7.375% 2019	\$1,215,000	775	0.3	Marina District Finance 9.875% 2018	\$1,590,000	1,038	0.4
Griffon 7.125% 2018	\$685,000	441	0.2	Markwest Energy 6.50% 2021	\$385,000	251	0.1
Gymboree 9.125% 2018	\$920,000	497	0.2	Markwest Energy Partners 5.5% 2023	\$800,000	487	0.2
H&E Equipment Services 7% 2022	\$510,000	338	0.1	McGraw-Hill 9.75% 2021	\$395,000	259	0.1
Halcon Resources 9.25% 2020	\$170,000	107	-	MEG Energy 6.375% 2023	\$655,000	399	0.2
Halcon Resources 8.875% 2021	\$1,430,000	864	0.4	MEG Energy 7% 2024	\$620,000	386	0.2
Halcon Resources 9.25% 2022	\$290,000	178	0.1	Memorial Production Finance 7.625% 2021	\$175,000	110	-
Hanesbrands 6.375% 2020	\$820,000	543	0.2	Memorial Production Partners 7.625% 2021	\$500,000	314	0.1
Harrahs Operating 10% 2018	\$603,000	185	0.1	Metropcs Wireless 7.875% 2018	\$70,000	45	-
Hawk Acquisition 4.25% 2020	\$1,695,000	1,007	0.4	Metropcs Wireless 6.25% 2021	\$520,000	328	0.1
HCA 6.5% 2020	\$1,005,000	674	0.3	MGM Resorts International 8.625% 2019	\$1,425,000	1,017	0.4
HCA 6.25% 2021	\$380,000	246	0.1	MGM Resorts International 5.25% 2020	\$1,815,000	1,105	0.5
HCA 7.75% 2021	\$2,645,000	1,764	0.7	MGM Resorts International 6.75% 2020	\$1,225,000	806	0.3
HCA 7.5% 2022	\$5,355,000	3,676	1.5	MGM Resorts International 7.75% 2022	\$1,590,000	1,087	0.4
HD Supply 8.125% 2019	\$1,450,000	979	0.4	Michael Foods 9.75% SNR 2018	\$635,000	417	0.2
HD Supply 11% 2020	\$560,000	404	0.2	Michaels Finco Holdings 7.5% 2018	\$480,000	300	0.1
HD Supply 11.5% 2020	\$700,000	504	0.2	Michaels Stores 7.75% 2018	\$1,595,000	1,034	0.4
Healthcare Technology Intermediate FRN 2018	\$235,000	148	0.1	Midstates Petroleum 10.75% 2020	\$530,000	351	0.1
HealthSouth 8.125% 2020	\$605,000	402	0.2	Midstates Petroleum 9.25% 2021	\$485,000	309	0.1
HealthSouth 7.75% 2022	\$546,000	364	0.1	Mueller Water Products 8.75% 2020	\$357,000	243	0.1
HealthSouth 5.75% 2024	\$250,000	151	0.1	Neiman Marcus Group 8% 2021	\$500,000	318	0.1
Hertz 7.5% 2018	\$1,100,000	714	0.3	Neiman Marcus Group 8.75% 2021	\$500,000	319	0.1
Hertz 5.875% 2020	\$920,000	581	0.2	Nexeo Solutions 8.375% 2018	\$610,000	371	0.2
Hertz 7.375% 2021	\$295,000	195	0.1	Nexstar Broadcasting 6.875% 2020	\$1,050,000	683	0.3
Hexion Nova Scotia 8.875% 2018	\$945,000	598	0.2	Nielsen 5.5% 2021	\$350,000	218	0.1
Hexion Nova Scotia 6.625% 2020	\$1,595,000	1,008	0.4	Nielsen Finance LLC 4.5% 2020	\$310,000	186	0.1
Hexion Nova Scotia 9% 2020	\$505,000	308	0.1	NI International Telecom 8.75% 2019	\$365,000	166	0.1
Hiland Partners 7.25% 2020	\$690,000	449	0.2	Noranda Aluminium 11% 2019	\$395,000	211	0.1
Hillman Group 10.875% 2018	\$1,090,000	712	0.3	Novelis 8.375% 2017	\$435,000	282	0.1
Hilton Worldwide 5.625% 2021	\$580,000	364	0.1	Novelis 8.75% 2020	\$460,000	311	0.1
Hologic 6.25% 2020	\$1,305,000	831	0.3	NRG Energy 7.625% 2018	\$255,000	174	0.1
Hughes Satellite System 6.5% 2019	\$755,000	500	0.2	NRG Energy 8.25% 2020	\$405,000	269	0.1
Huntsman International 4.875% 2020	\$1,255,000	752	0.3	NRG Energy 7.875% 2021	\$205,000	136	0.1
Huntsman International 8.625% 2020	\$340,000	228	0.1	NRG Energy 6.25% 2022	\$670,000	408	0.2
Huntsman International 8.625% 2021	\$470,000	322	0.1	Nuveen Investments 9.5% 2020	\$920,000	579	0.2
IMS Health 6% 2020	\$950,000	613	0.2	NXP Semiconductors 3.75% 2018	\$595,000	362	0.1
Ineos Finance 8.375% 2019	\$1,875,000	1,262	0.5	NXP Funding 5.75% 2021	\$1,195,000	753	0.3
Ineos Group 6.125% 2018	\$430,000	267	0.1	NXP 5.75% 2023	\$245,000	149	0.1
Ineos Group 7.5% 2020	\$645,000	428	0.2	Oasis Petroleum 6.875% 2022	\$565,000	365	0.1
Infor 11.50% 2020	\$1,050,000	737	0.3	Oshkosh 8.25% 2017	\$625,000	397	0.2
Infor 9.375% 2019	\$770,000	527	0.2	Oshkosh 8.5% 2020	\$665,000	443	0.2
Intelsat Jackson 7.25% 2020	\$3,400,000	2,241	0.9	Packaging Dynamics 8.75% 2016	\$740,000	462	0.2
Intelsat Jackson 7.5% 2021	\$610,000	409	0.2	Paetec 9.875% 2018	\$805,000	542	0.2
Intelsat Jackson 6.625% 2022	\$930,000	583	0.2	Paris Las Vegas 8% 2020	\$15,000	9	-
Intelsat Luxembourg 7.75% 2021	\$1,330,000	868	0.4	Party City 8.875% 2020	\$1,525,000	1,033	0.4
Interactive Data 10.25% 2018	\$925,000	617	0.3	PC Nextco Holdings FRN 2019	\$355,000	222	0.1
Interline Brands 7% 2018	\$635,000	408	0.2	Peabody Energy 6.25% 2021	\$1,230,000	757	0.3
Interline Brands 10% 2018	\$295,000	196	0.1	Petco Animal Supplies 9.25% 2018	\$785,000	511	0.2
International Lease Finance 8.75% 2017	\$2,275,000	1,612	0.7	Plains Exploration & Production 6.5% 2020	\$1,715,000	1,142	0.5
International Lease Finance 5.875% 2019	\$2,055,000	1,342	0.5	Plains Exploration & Production 6.875% 2023	\$855,000	574	0.2
International Lease Finance 6.25% 2019	\$1,500,000	989	0.4	PNK Finance 6.375% 08/21	\$245,000	153	0.1
Inventiv Health 9% 2018	\$840,000	537	0.2	Polymer Group 7.75% 2019	\$1,400,000	899	0.4
Inventiv Health 10% 2018	\$450,000	248	0.1	Polyone 7.375% 2020	\$805,000	538	0.2
Inventiv Health 10% SNR 2018	\$365,000	202	0.1	Polypore International 7.5% 2017	\$580,000	373	0.2
Iron Mountain 6% 2023	\$805,000	501	0.2	Post Holdings 6.75% 2021	\$225,000	143	0.1
Isle Of Capri Casinos 5.875% 2021	\$1,210,000	748	0.3	Post Holdings 7.375% 2022	\$1,590,000	1,031	0.4
J Crew Group 8.125% 2019	\$505,000	321	0.1	Post Holdings 7.375% 2022 144A	\$90,000	58	-
Jack Cooper 9.25% 2020	\$830,000	551	0.2	QR Energy 9.25% 2020	\$690,000	438	0.2
James River Coal 7.785% 2019	\$425,000	68	-	Quebecor Media 5.75% 2023	\$1,010,000	598	0.2
Jarden 7.5% 2020	\$1,080,000	709	0.3	Radiation Therapy Services 8.875% 2017	\$690,000	434	0.2
JC Penney 7.95% 2017	\$160,000	79	-	Radiation Therapy Services 9.875% 2017	\$710,000	409	0.2
JC Penney 5.75% 2018	\$560,000	252	0.1	Radio Systems 8.375% 2019	\$795,000	533	0.2
JC Penney 6.375% 2036	\$650,000	265	0.1	Rain CII Carbon 8% 2018	\$245,000	156	0.1
Kinetic Concepts 10.5% 2018	\$1,885,000	1,323	0.5	Rain CII Carbon 8.25% 2021	\$200,000	125	0.1
Kodiak Oil & Gas 8.125% 2019	\$1,080,000	727	0.3	Realogy 7.875% 2019	\$1,050,000	694	0.3
Kodiak Oil & Gas 5.5% 2021	\$55,000	33	-	Realogy 7.625% 2020	\$700,000	475	0.2
Kodiak Oil & Gas 5.5% 2022	\$125,000	75	-	Regency Energy Partners 5.5% 2023	\$590,000	350	0.1
				Reichhold Industries 9% 2017	\$1,450,144	529	0.2

Portfolio statement – continued

As at 31 January 2014

Investment	Holding	Market value £'000	Total net assets %
Reotech Nitrogen 6.5% 2021	\$465,000	275	0.1
Reynolds Group 9% 2019	\$3,890,000	2,523	1.0
Reynolds Group 9.875% 2019	\$2,030,000	1,364	0.6
Reynolds Group 5.75% 2020	\$1,600,000	996	0.4
RHP Hotel Properties 5% 2021	\$305,000	182	0.1
Rite Aid 9.25% 2020	\$965,000	669	0.3
RKI Exploration & Production 8.5% 2021	\$610,000	393	0.2
Rockwood Specialties Group 4.625% 2020	\$415,000	257	0.1
RSC Equipment Rental 8.25% 2021	\$2,135,000	1,456	0.6
RSI Home Products 6.875% 2018	\$345,000	219	0.1
Sabine Pass Liquefaction 6.25% 2022	\$595,000	363	0.1
Sabine Pass LNG 5.625% 2023	\$525,000	302	0.1
Sabre 8.5% 2019	\$1,935,000	1,299	0.5
Sally 6.875% 2019	\$575,000	384	0.2
Sally 5.75% 2022	\$330,000	204	0.1
Sally 5.5% 2023	\$625,000	374	0.2
Sandridge Energy 7.5% 2021	\$400,000	252	0.1
Sandridge Energy 8.125% 2022	\$825,000	525	0.2
SBA Telecommunications 8.25% 2019	\$561,000	365	0.1
SBA Telecommunications 5.75% 2020	\$145,000	92	-
Schaeffler Finance 8.5% 2019	\$265,000	180	0.1
Schaeffler Finance 4.75% 2021	\$655,000	396	0.2
Scotts Miracle-Gro 6.625% 2020	\$1,145,000	750	0.3
Sealed Air 6.5% 2020	\$350,000	229	0.1
Sealed Air 8.375% 2021	\$905,000	628	0.3
Sensata Technologies 6.5% 2019	\$1,430,000	934	0.4
Serta Simmons 8.125% 2020	\$2,155,000	1,422	0.6
Service Corporation International 7% 2017	\$295,000	202	0.1
Service Corporation International 7.625% 2018	\$140,000	98	-
Service Corporation International 7% 2019	\$445,000	288	0.1
Service Corporation International 7.5% 2027	\$1,410,000	906	0.4
Servicemaster 7% 2020	\$740,000	455	0.2
Silver II Borrower 7.75% 2020	\$460,000	296	0.1
Sinclair Broadcast Group 6.125% 2013	\$400,000	245	0.1
Sinclair Television 8.375% 2018	\$225,000	148	0.1
Sinclair Television Group 5.375% 2021	\$1,090,000	652	0.3
Sirius XM Radio 4.25% 2020	\$1,260,000	714	0.3
Sirius XM Radio 5.75% 2021	\$800,000	486	0.2
Sirius XM Radio 4.625% 2023	\$35,000	19	-
Spectrum Brands 6.375% 2020	\$270,000	175	0.1
Spectrum Brands 6.75% 2020	\$380,000	248	0.1
Spectrum Brands 6.625% 2022	\$420,000	272	0.1
Sprint 7.125% 2024	\$460,000	282	0.1
Sprint 7.25% 2021	\$460,000	301	0.1
Sprint 7.875% 2023	\$2,350,000	1,528	0.6
Sprint Capital 8.75% 2032	\$4,680,000	3,085	1.3
Sprint Nextel 9% 2018	\$2,240,000	1,643	0.7
Sprint Nextel 7% 2020	\$365,000	250	0.1
SSI Investment Management 11.125% 2018	\$880,000	579	0.2
Stewart Enterprises 6.5% 2019	\$440,000	281	0.1
Sungard Data Systems 7.375% 2018	\$580,000	373	0.2
Sungard Data Systems 6.625% 2019	\$920,000	585	0.2
Sungard Data Systems 7.625% 2020	\$520,000	347	0.1
Tekni-Plex 9.75% 2019	\$256,000	178	0.1
Tempur Sealy International 6.875% 2020	\$470,000	313	0.1
Tenet Healthcare 4.75% 2020	\$1,480,000	897	0.4
Tenet Healthcare 6% 2020	\$730,000	468	0.2
Tenet Healthcare 6.75% 2020	\$560,000	355	0.1
Tenet Healthcare 8% 2020	\$2,405,000	1,597	0.7
Tenet Healthcare 8.125% 2022	\$665,000	442	0.2
Terex 6.5% 2020	\$790,000	516	0.2
Terex 6% 2021	\$1,115,000	703	0.3
Tervita 8% 2018	\$735,000	458	0.2
Tesoro 5.875% 2020	\$1,120,000	696	0.3
Tesoro 6.125% 2021	\$365,000	229	0.1
T-Mobile USA 6.633% 2021	\$735,000	470	0.2
T-Mobile USA 6.731% 2022	\$1,300,000	829	0.3
Trinidad Drilling 7.875% SNR 2019	\$775,000	504	0.2
Trinseo Materials Operating 8.75% 2019	\$945,000	590	0.2
Triumph Group 4.875% 2021	\$595,000	351	0.1
TW Telecom Holdings 5.375% 2022	\$265,000	159	0.1
TW Telecom Holdings 5.375% 2022	\$445,000	268	0.1
TW Telecom Holdings 6.375% 2023	\$140,000	89	-
UCI International 8.625% 2019	\$1,240,000	742	0.3
United Rentals 7.375% 2020	\$120,000	81	-
United Rentals 8.375% 2020	\$175,000	118	-
United Rentals 7.625% 2022	\$570,000	390	0.2
United Surgical Partners 9% 2020	\$1,040,000	708	0.3
UPCB Finance III 6.625% 2020	\$1,445,000	928	0.4
UPCB Finance 7.25% 2021	\$325,000	214	0.1

Investment	Holding	Market value £'000	Total net assets %
UPCB Finance 6.875% 2022	\$1,270,000	828	0.3
US Coatings 7.375% 2021	\$370,000	242	0.1
Vail Resorts 6.5% 2019	\$1,225,000	785	0.3
Valeant Pharmaceuticals 7% 2020	\$895,000	586	0.2
Valeant Pharmaceuticals 6.75% 2021	\$1,160,000	753	0.3
Valeant Pharmaceuticals 7.25% 2022	\$1,320,000	870	0.4
Vanguard Natural Resources 7.875% 2020	\$780,000	500	0.2
Videotron 5% 2022	\$250,000	149	0.1
Visteon 6.75% 2019	\$954,000	610	0.2
VPI Escrow 7.5% 2021	\$2,460,000	1,666	0.7
Vulcan Materials 7% 2018	\$335,000	236	0.1
Vulcan Materials 7.5% 2021	\$555,000	389	0.2
Watco 6.375% 2023	\$470,000	283	-
Wesco Distribution 5.375% 2021	\$170,000	104	-
Whiting Petroleum 5.75% 2021	\$1,835,000	1,168	0.5
William Carter 5.25% 2021	\$160,000	99	-
Wind Acquisition Finance 7.25% 2018	\$280,000	178	0.1
Wind Acquisition Finance 7.25% SNR 2018	\$915,000	584	0.2
Wind Acquisition Finance 6.5% 2020	\$200,000	132	0.1
Windstream 7.75% 2020	\$10,000	6	-
Windstream 7.75% 2021	\$1,965,000	1,257	0.5
Windstream 6.375% 2023	\$595,000	337	0.1
Windstream 7.5% 2023	\$750,000	457	0.2
WMG Acquisition 11.5% 2018	\$425,000	294	0.1
WMG Acquisition 6% 2021	\$311,000	195	0.1
Zayo Group 8.125% 2020	\$765,000	514	0.2

Liquidation claim – 0.0% (0.0%)

Quebecor Liquidation Claim [†]	\$900,000	8	-
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Sterling – 0.4% (0.0%)

Crown Newco 7% 2018	£1,000,000	1,049	0.4
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Swaps – 0.1% (0.2%)

US Dollar – 0.1%

Credit Index Swaps CDI CDX HY 5% 20 Jun 2018	5,000,000	249	0.1
Credit Index Swaps CDI CDX HY 5% 20 Jun 2018	(5,000,000)	-	-

Forward currency contracts – (0.7%) (0.4%)

US Dollar – (0.7%)

Buy \$19,650,421 sell £11,861,166 dated 28/02/14		80	-
Sell \$431,015,441 buy £260,226,391 dated 28/02/14		(1,683)	(0.7)

Investment assets (including investment liabilities)	237,116	96.6
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Net other assets	8,281	3.4
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Net assets	245,397	100.0
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Unless otherwise stated the above securities are admitted to official stock exchange listings or trade on a regulated market.

The comparative percentage figures in brackets are at 31 January 2013.

† Delisted security

	Market value £'000
Portfolio credit ratings	
BBB	11,558
BBB-	1,716
BB+	4,392
BB	906
BB-	35,051
B+	43,532
B	42,673
B-	44,027
CCC+	40,407
CCC	12,930
C	1,270
Total bonds	238,462
Forward currency contracts	(1,603)
Swaps	249
Liquidation claim	8
Investment assets (including investment liabilities)	237,116

Portfolio statement – continued

As at 31 January 2014

Counterparty exposure

Counterparty	Credit default swaps £'000	Forward currency contracts £'000	Total £'000
Credit Suisse	249	58	308
HSBC	-	(1,680)	(1,680)
Morgan Stanley	-	(1)	(1)
NAB Ltd	-	-	-
State Street	-	14	14
UBS	-	4	4
Westpac Banking Corp	-	1	1

At the balance sheet date, there was no collateral received by the fund from the above counterparties.

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.

Portfolio movements

For the year ending 31 January 2014

	£'000		£'000
Total of all purchases for the year	145,820	Total of all sales for the year	105,254
Major purchases	Cost	Major sales	Proceeds
Clear Channel Worldwide 'B' 6.5% 2022	2,269	Clear Channel Worldwide 'B' 6.5% 2022	1,943
Tenet Healthcare 4.75% 2020	1,955	Ally Financial 5.5% 2017	1,554
Caesars Entertainment Operating 9% 2020	1,865	Intelsat Jackson 6.625% 2022	1,363
VPI Escrow 7.5% 2021	1,647	Sealy Mattress 8.25% 2014	1,254
General Motors Financials 4.875% 2023	1,549	Caesars Entertainment Operating 9% 2020	1,249
Sprint 7.875% 2023	1,524	Chiron Merger 10.5% 2018	1,122
Kinetic Concepts 10.5% 2018	1,347	Spectrum Brands 9.5% 2018	1,100
Acco Brands 6.75% 2020	1,267	NRG Energy 7.625% 2018	1,012
Intelsat Jackson 7.25% 2020	1,262	Party City 8.875% 2020	992
Hawk Acquisition 4.25% 2020	1,215	Tenet Healthcare 4.75% 2020	980
Whiting Petroleum 5.75% 2021	1,170	MGM Resorts International 8.625% 2019	946
MGM Resorts International 7.75% 2022	1,158	Halcon Resources 8.875% 2021	887
MGM Resorts International 5.25% 2020	1,110	Mylan 7.875% 2020	882
Crown Newco 7% 2018	1,055	RBS Global & Rexnord 8.5% 2018	831
Ally Financial 7.5% 2020	1,040	Gencorp 7.125% 2021	821
CenturyLink 6.75% 2023	1,034	HD Supply 8.125% 2019	794
Chrysler Group 8.25% 2021	1,015	Citycenter 7.625% 2016	788
HD Supply 8.125% 2019	1,014	AES 8% 2017	788
Party City 8.875% 2020	992	MGM Resorts International 6.75% 2020	783
Denali Finance 5.625% 2020	959	Sungard Data Systems 6.625% 2019	781

Financial statements

Statement of total return

For the year ending 31 January

	2014	2013
£'000	£'000	£'000
Income		
Net capital gains (Note 1)	106	13,630
Revenue (Note 2)	16,735	14,771
Expenses (Note 3)	(2,837)	(2,418)
Net revenue before taxation	13,898	12,353
Taxation (Note 4)	(2)	(15)
Net revenue after taxation	13,896	12,338
Total return before distributions	14,002	25,968
Finance costs: Distributions (Note 5)	(16,308)	(14,422)
Change in net assets attributable to shareholders from investment activities	(2,306)	11,546

Statement of change in net assets attributable to shareholders

For the year ending 31 January

	2014	2013
£'000	£'000	£'000
Opening net assets attributable to shareholders	226,072	172,601
Amounts receivable on issue of shares	94,352	89,702
Amounts payable on cancellation of shares	(79,103)	(53,818)
	15,249	35,884
Change in net assets attributable to shareholders from investment activities (see above)	(2,306)	11,546
Retained distributions on accumulation shares	6,376	6,034
Unclaimed distributions	6	7
Closing net assets attributable to shareholders	245,397	226,072

Balance sheet

As at 31 January

	2014	2013
£'000	£'000	£'000
ASSETS		
Investment assets	238,799	211,498
Debtors (Note 7)	6,425	6,120
Cash and bank balances (Note 8)	6,840	14,404
Total other assets	13,265	20,524
Total assets	252,064	232,022
LIABILITIES		
Investment liabilities	(1,683)	-
Creditors (Note 9)	(3,289)	(4,322)
Distribution payable on income shares	(1,695)	(1,628)
Total other liabilities	(4,984)	(5,950)
Total liabilities	(6,667)	(5,950)
Net assets attributable to shareholders	245,397	226,072

The notes to these financial statements are shown on pages 162 to 163.

Notes to the financial statements for the year ending 31 January 2014

1. Net capital gains

	2014	2013
	£'000	£'000
Currency losses	(1,185)	(4,248)
Derivative contracts	347	672
Forward currency contracts	12,786	3,813
Non-derivative securities	(11,842)	13,393
Net capital gains	<u>106</u>	<u>13,630</u>

2. Revenue

	2014	2013
	£'000	£'000
Interest on bank and term deposits	18	28
Interest on derivatives	306	534
Interest on fixed-interest securities	16,411	14,208
Stocklending income*	-	1
Total revenue	<u>16,735</u>	<u>14,771</u>

* Stocklending income is disclosed net of fees. See note 11.

3. Expenses

	2014	2013
	£'000	£'000
Payable to the ACD or associate of the ACD:		
ACD fee	2,424	2,085
Fixed expenses	413	333
Total expenses	<u>2,837</u>	<u>2,418</u>

4. Taxation

	2014	2013
	£'000	£'000
a) Analysis of charge in the year		
Overseas tax suffered	2	15
Current year tax charge (Note 4b)	<u>2</u>	<u>15</u>

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	13,898	12,353
Corporation tax at 20%	<u>2,780</u>	<u>2,471</u>

Effects of:

Interest distributions deductible for tax purposes	(3,264)	(2,885)
Excess expenses for which no relief taken	484	414
Overseas tax suffered	2	15
	<u>(2,778)</u>	<u>(2,456)</u>
Current year tax charge (Note 4a)	<u>2</u>	<u>15</u>

No deferred tax asset has been recognised in the financial statements. At the year end date, the Fund had a potential unrecognised deferred tax asset of £2,979,245 (31.01.13: £1,710,818) in relation to £14,896,227 (31.01.13: £8,554,092) of excess interest distributions 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.

5. Finance costs

Distributions

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

	2014	2013
	£'000	£'000
First interim interest distribution	4,292	3,356
Second interim interest distribution	4,244	3,770
Third interim interest distribution	3,933	3,635
Final interest distribution	3,915	3,943
Add: Amounts payable on cancellation of shares	489	368
Deduct: Amounts receivable on issue of shares	(565)	(650)
Total finance costs	<u>16,308</u>	<u>14,422</u>

Details of the distribution per share are set out on pages 164 to 167.

6. Movement between net revenue after taxation and distributions

	2014	2013
	£'000	£'000
Net revenue after taxation	13,896	12,338
Add: ACD fee (net of tax relief) paid from capital	2,424	2,085
Add: Undistributed revenue brought forward	15	14
Deduct: Undistributed revenue carried forward	(24)	(15)
Equalisations on conversions	(3)	-
	<u>16,308</u>	<u>14,422</u>

7. Debtors

	2014	2013
	£'000	£'000
Accrued income	4,921	4,443
Due from the ACD for shares created	59	810
Overseas tax recoverable	11	-
Sales awaiting settlement	1,434	867
Total debtors	<u>6,425</u>	<u>6,120</u>

8. Cash and bank balances

	2014	2013
	£'000	£'000
Cash and bank balances	<u>6,840</u>	<u>14,404</u>

9. Creditors

	2014	2013
	£'000	£'000
Accrued expenses	218	227
Due to the ACD for shares cancelled	1,133	516
Income tax payable	1,328	1,347
Purchases awaiting settlement	610	2,232
Total creditors	<u>3,289</u>	<u>4,322</u>

10. Portfolio transaction costs

No portfolio transactions costs were incurred during the current or prior year.

Notes to the financial statements – continued

11. 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 £1,292,067 (31.01.13: £67,449). Details of related party transactions are given under note 13 on page 413.

The following party held a material interest in the Fund at the year end date:

- FNZ (UK) Nominees Ltd 11.5% (2013: 0.00%)

Currency	Fixed rate financial assets	
	Weighted average interest rate	Weighted average period for which rate is fixed (years)
31.01.14		
US Dollar	5.5%	6.5
UK Sterling	5.1%	4.0
31.01.13		
US Dollar	5.9%	6.8

For consideration of other risks including liquidity, pricing and credit risk, please refer to the notes to the aggregated financial statements, pages 413 to 414.

12. Financial instruments

Currency exposures

A 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 affected by currency movements.

Currency	Net foreign currency assets/(liabilities)		
	Total exposures £'000	Monetary exposures £'000	Non-monetary exposures £'000
31.01.14			
US Dollar	(538)	(238,208)	237,670
31.01.13			
Euro	3	3	-
US Dollar	(340)	(210,997)	210,657

Interest rate risk

The tables below detail the interest rate profile of the Fund's assets and liabilities as at the year end.

Currency	Total assets £'000	Financial assets		Financial assets not carrying any interest £'000
		Floating rate financial assets £'000	Fixed rate financial assets £'000	
31.01.14				
UK Sterling	250,919	-	1,049	249,870
US Dollar	(538)	12,074	232,186	(244,798)
31.01.13				
UK Sterling	230,127	7,815	-	222,312
US Dollar	1,892	8,087	208,879	(215,074)
Euro	3	3	-	-

The floating rate financial assets comprise investments in variable interest rate paying corporate debt and bank balances that bear interest at rates based on LIBOR or its overseas equivalent.

Currency	Total liabilities £'000	Financial liabilities	
		Floating rate financial liabilities £'000	Financial liabilities not carrying any interest £'000
31.01.14			
UK Sterling	4,984	-	4,984
31.01.13			
UK Sterling	3,718	-	3,718
US Dollar	2,232	-	2,232

13. 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 fixed expenses charge are shown below.

	ACD fee	Fixed expenses
Class A shares:	1.10%	0.18%
Class B shares:	0.75%	0.18%
Class C shares:	0.55%	0.18%
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 page 155. All classes have the same rights on winding up.

14. Derivatives

The Fund enters into derivative transactions in the form of forward currency contracts, and credit default swaps for the purpose of efficient portfolio management. The positive mark to market approach has been used to calculate the global exposure.

Further information on the derivative risks can be found in the notes to the aggregated financial statements on page 414.

15. Contingent liabilities and capital commitments

At the balance sheet date there were no contingent liabilities or capital commitments (2013: none).

Distribution tables

Final interest distribution in pence per share

Group 1 – Shares purchased prior to 1 November 2013

Group 2 – Shares purchased 1 November 2013 to 31 January 2014

	Gross revenue	Tax at 20%	Net revenue	Equalisation	Distribution payable 30.04.14	Distribution paid 30.04.13
A-Class Accumulation Shares						
Group 1	1.525000	0.305000	1.220000	-	1.220000	1.310000
Group 2	0.772271	0.154454	0.617817	0.602183	1.220000	1.310000
A-Class Income Shares						
Group 1	0.637500	0.127500	0.510000	-	0.510000	0.580000
Group 2	0.302529	0.060506	0.242023	0.267977	0.510000	0.580000
B-Class Accumulation Shares						
Group 1	1.537500	0.307500	1.230000	-	1.230000	-
Group 2	1.370800	0.274160	1.096640	0.133360	1.230000	-
B-Class Income Shares						
Group 1	1.787500	0.357500	1.430000	-	1.430000	1.600000
Group 2	0.459246	0.091849	0.367397	1.062603	1.430000	1.600000
C-Class Accumulation Shares						
Group 1	1.700000	0.340000	1.360000	-	1.360000	1.440000
Group 2	0.695101	0.139020	0.556081	0.803919	1.360000	1.440000
C-Class Gross Accumulation Shares						
Group 1	1.630000	0.000000	1.630000	-	1.630000	1.810000
Group 2	0.551859	0.000000	0.551859	1.078141	1.630000	1.810000
C-Class Income Shares						
Group 1	1.587500	0.317500	1.270000	-	1.270000	1.440000
Group 2	0.793785	0.158757	0.635028	0.634972	1.270000	1.440000
C-Class Gross Income Shares						
Group 1	1.510000	0.000000	1.510000	-	1.510000	1.780000
Group 2	0.810452	0.000000	0.810452	0.699548	1.510000	1.780000
I-Class Accumulation Shares						
Group 1	2.762500	0.552500	2.210000	-	2.210000	2.370000
Group 2	2.370070	0.474014	1.896056	0.313944	2.210000	2.370000
I-Class Gross Accumulation Shares						
Group 1	2.540000	0.000000	2.540000	-	2.540000	2.790000
Group 2	2.540000	0.000000	2.540000	0.000000	2.540000	2.790000
I-Class Income Shares						
Group 1	1.600000	0.320000	1.280000	-	1.280000	1.440000
Group 2	1.600000	0.320000	1.280000	0.000000	1.280000	1.440000
I-Class Gross Income Shares						
Group 1	1.620000	0.000000	1.620000	-	1.620000	1.880000
Group 2	1.620000	0.000000	1.620000	0.000000	1.620000	1.880000
X-Class Gross Accumulation Shares						
Group 1	1.860000	0.000000	1.860000	-	1.860000	2.010000
Group 2	1.860000	0.000000	1.860000	0.000000	1.860000	2.010000

Distribution tables – continued

Third interim interest distribution in pence per share

Group 1 – Shares purchased prior to 1 August 2013

Group 2 – Shares purchased 1 August 2013 to 31 October 2013

	Gross revenue	Tax at 20%	Net revenue	Equalisation	Distribution paid 31.01.14	Distribution paid 31.01.13
A-Class Accumulation Shares						
Group 1	1.475000	0.295000	1.180000	-	1.180000	1.190000
Group 2	0.723133	0.144627	0.578506	0.601494	1.180000	1.190000
A-Class Income Shares						
Group 1	0.625000	0.125000	0.500000	-	0.500000	0.530000
Group 2	0.351584	0.070317	0.281267	0.218733	0.500000	0.530000
B-Class Accumulation Shares						
Group 1	1.475000	0.295000	1.180000	-	1.180000	-
Group 2	1.440418	0.288084	1.152334	0.027666	1.180000	-
B-Class Income Shares						
Group 1	1.737500	0.347500	1.390000	-	1.390000	1.480000
Group 2	1.336403	0.267281	1.069122	0.320878	1.390000	1.480000
C-Class Accumulation Shares						
Group 1	1.637500	0.327500	1.310000	-	1.310000	1.330000
Group 2	0.777741	0.155548	0.622193	0.687807	1.310000	1.330000
C-Class Gross Accumulation Shares						
Group 1	1.530000	0.000000	1.530000	-	1.530000	1.440000
Group 2	0.142250	0.000000	0.142250	1.387750	1.530000	1.440000
C-Class Income Shares						
Group 1	1.537500	0.307500	1.230000	-	1.230000	1.330000
Group 2	0.564371	0.112874	0.451497	0.778503	1.230000	1.330000
C-Class Gross Income Shares						
Group 1	1.420000	0.000000	1.420000	-	1.420000	1.440000
Group 2	0.203858	0.000000	0.203858	1.216142	1.420000	1.440000
I-Class Accumulation Shares						
Group 1	2.662500	0.532500	2.130000	-	2.130000	2.200000
Group 2	2.484264	0.496853	1.987411	0.142589	2.130000	2.200000
I-Class Gross Accumulation Shares						
Group 1	2.370000	0.000000	2.370000	-	2.370000	2.500000
Group 2	1.195849	0.000000	1.195849	1.174151	2.370000	2.500000
I-Class Income Shares						
Group 1	1.562500	0.312500	1.250000	-	1.250000	1.310000
Group 2	0.742161	0.148432	0.593729	0.656271	1.250000	1.310000
I-Class Gross Income Shares						
Group 1	1.540000	0.000000	1.540000	-	1.540000	1.730000
Group 2	0.661562	0.000000	0.661562	0.878438	1.540000	1.730000
X-Class Gross Accumulation Shares						
Group 1	1.740000	0.000000	1.740000	-	1.740000	1.790000
Group 2	0.664795	0.000000	0.664795	1.075205	1.740000	1.790000

Distribution tables – continued

Second interim interest distribution in pence per share

Group 1 – Shares purchased prior to 1 May 2013

Group 2 – Shares purchased 1 May 2013 to 31 July 2013

	Gross revenue	Tax at 20%	Net revenue	Equalisation	Distribution paid 31.10.13	Distribution paid 31.10.12
A-Class Accumulation Shares						
Group 1	1.600000	0.320000	1.280000	-	1.280000	1.310000
Group 2	0.862994	0.172599	0.690395	0.589605	1.280000	1.310000
A-Class Income Shares						
Group 1	0.687500	0.137500	0.550000	-	0.550000	0.600000
Group 2	0.336499	0.067300	0.269199	0.280801	0.550000	0.600000
B-Class Accumulation Shares						
Group 1	1.587500	0.317500	1.270000	-	1.270000	-
Group 2	1.073031	0.214606	0.858425	0.411575	1.270000	-
B-Class Income Shares						
Group 1	1.900000	0.380000	1.520000	-	1.520000	1.650000
Group 2	1.113146	0.222629	0.890517	0.629483	1.520000	1.650000
C-Class Accumulation Shares						
Group 1	1.762500	0.352500	1.410000	-	1.410000	-
Group 2	0.824154	0.164831	0.659323	0.750677	1.410000	-
C-Class Gross Accumulation Shares						
Group 1	1.730000	0.000000	1.730000	-	1.730000	-
Group 2	1.033382	0.000000	1.033382	0.696618	1.730000	-
C-Class Income Shares						
Group 1	1.700000	0.340000	1.360000	-	1.360000	-
Group 2	0.612436	0.122487	0.489949	0.870051	1.360000	-
C-Class Gross Income Shares						
Group 1	1.650000	0.000000	1.650000	-	1.650000	-
Group 2	0.388600	0.000000	0.388600	1.261400	1.650000	-
I-Class Accumulation Shares						
Group 1	2.875000	0.575000	2.300000	-	2.300000	2.320000
Group 2	1.931488	0.386298	1.545190	0.754810	2.300000	2.320000
I-Class Gross Accumulation Shares						
Group 1	2.660000	0.000000	2.660000	-	2.660000	2.750000
Group 2	0.567115	0.000000	0.567115	2.092885	2.660000	2.750000
I-Class Income Shares						
Group 1	1.700000	0.340000	1.360000	-	1.360000	1.470000
Group 2	1.027321	0.205464	0.821857	0.538143	1.360000	1.470000
I-Class Gross Income Shares						
Group 1	1.750000	0.000000	1.750000	-	1.750000	1.930000
Group 2	1.750000	0.000000	1.750000	0.000000	1.750000	1.930000
X-Class Gross Accumulation Shares						
Group 1	1.940000	0.000000	1.940000	-	1.940000	1.570000
Group 2	0.675229	0.000000	0.675229	1.264771	1.940000	1.570000

Distribution tables – continued

First interim interest distribution in pence per share

Group 1 – Shares purchased prior to 1 February 2013

Group 2 – Shares purchased 1 February 2013 to 30 April 2013

	Gross revenue	Tax at 20%	Net revenue	Equalisation	Distribution paid 31.07.13	Distribution paid 31.07.12
A-Class Accumulation Shares						
Group 1	1.562500	0.312500	1.250000	-	1.250000	1.190000
Group 2	0.658852	0.131770	0.527082	0.722918	1.250000	1.190000
A-Class Income Shares						
Group 1	0.675000	0.135000	0.540000	-	0.540000	0.540000
Group 2	0.362193	0.072438	0.289755	0.250245	0.540000	0.540000
B-Class Accumulation Shares						
Group 1	1.550000	0.310000	1.240000	-	1.240000	-
Group 2	0.620622	0.124124	0.496498	0.743502	1.240000	-
B-Class Income Shares						
Group 1	1.887500	0.377500	1.510000	-	1.510000	1.520000
Group 2	0.535480	0.107096	0.428384	1.081616	1.510000	1.520000
C-Class Accumulation Shares						
Group 1	1.725000	0.345000	1.380000	-	1.380000	-
Group 2	0.962527	0.192505	0.770022	0.609978	1.380000	-
C-Class Gross Accumulation Shares						
Group 1	1.730000	0.000000	1.730000	-	1.730000	-
Group 2	1.652744	0.000000	1.652744	0.077256	1.730000	-
C-Class Income Shares						
Group 1	1.675000	0.335000	1.340000	-	1.340000	-
Group 2	0.632827	0.126565	0.506262	0.833738	1.340000	-
C-Class Gross Income Shares						
Group 1	1.680000	0.000000	1.680000	-	1.680000	-
Group 2	0.973955	0.000000	0.973955	0.706045	1.680000	-
I-Class Accumulation Shares						
Group 1	2.800000	0.560000	2.240000	-	2.240000	2.110000
Group 2	2.706221	0.541244	2.164977	0.075023	2.240000	2.110000
I-Class Gross Accumulation Shares						
Group 1	2.670000	0.000000	2.670000	-	2.670000	2.480000
Group 2	0.550780	0.000000	0.550780	2.119220	2.670000	2.480000
I-Class Income Shares						
Group 1	1.687500	0.337500	1.350000	-	1.350000	1.350000
Group 2	0.889217	0.177843	0.711374	0.638626	1.350000	1.350000
I-Class Gross Income Shares						
Group 1	1.790000	0.000000	1.790000	-	1.790000	1.780000
Group 2	0.437799	0.000000	0.437799	1.352201	1.790000	1.780000
X-Class Gross Accumulation Shares						
Group 1	1.960000	0.000000	1.960000	-	1.960000	1.800000
Group 2	0.386207	0.000000	0.386207	1.573793	1.960000	1.800000

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.

JPM Global Mining Fund

Important information

This Fund was terminated on 19 August 2013.

Highest/lowest share price and distribution record

Calendar year	Highest share price	Lowest share price	Distribution per share (net)
A-Class Accumulation Shares^A			
2011	52.62p	33.51p	-
2012	43.66p	29.16p	0.00p
2013 ^B	34.55p	22.56p	0.10p
B-Class Accumulation Shares^C			
2012	100.7p	69.75p	-
2013 ^B	82.90p	54.48p	0.80p
C-Class Accumulation Shares^D			
2012	108.3p	93.97p	-
2013 ^B	108.9p	71.62p	1.02p
C-Class Income Shares^E			
2012	103.9p	94.99p	-
2013 ^B	105.0p	69.05p	0.90p

^A A-Class Accumulation Shares were launched on 2 February 2011.

^B To 19 August 2013.

^C B-Class Accumulation Shares were launched on 5 March 2012.

^D C-Class Accumulation Shares were launched on 20 August 2012.

^E C-Class Income Shares were launched on 1 October 2012.

Net asset values and Ongoing charges

Date	Net asset value per share class £'000	Number of shares	Net asset value per share	Ongoing charges
A-Class Accumulation Shares				
31.01.12	4,426	10,638,297	41.61p	1.68%
31.01.13	4,153	12,404,980	33.48p	1.68%
31.01.14	-	-	-	-
B-Class Accumulation Shares				
31.01.13	116	145,105	79.90p	1.18%
31.01.14	-	-	-	-
C-Class Accumulation Shares				
31.01.13	1	1,000	105.5p	0.93%
31.01.14	-	-	-	-
C-Class Income Shares				
31.01.13	1	1,000	101.7p	0.93%
31.01.14	-	-	-	-

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

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

Portfolio statement

As at 31 January 2014

Investment	Holding	Market value £'000	Total net assets %
Base metals & diversified - 0.00% (66.8%)			
Kagara†	170,000	-	-
Regulus Resources Warrants 2014 (CAD 1.60)#	6,469	-	-
Gold & silver - 0.00% (19.7%)			
Aureus Mining Warrant 2014 (GBP 0.625)#	4,250	-	-
Investment assets		-	-
Net other assets		-	-
Net assets		-	-

Unless otherwise stated the above securities are admitted to official stock exchange listings or trade on a regulated market.

The comparative percentage figures in brackets are at 31 January 2013.

Unquoted security

† Suspended security

Financial statements

Statement of total return

For the year ending 31 January

	£'000	2014 £'000	£'000	2013 £'000
Income				
Net capital losses (Note 1)		(1,018)		(954)
Revenue (Note 2)	50		73	
Expenses (Note 3)	(30)		(70)	
Net revenue before taxation	20		3	
Taxation (Note 4)	(4)		(4)	
Net revenue/(expenses) after taxation		16		(1)
Total return before distributions		(1,002)		(955)
Finance costs: Distributions (Note 5)		(16)		1
Change in net assets attributable to shareholders from investment activities		(1,018)		(954)

Balance sheet

As at 31 January

	£'000	2014 £'000	£'000	2013 £'000
ASSETS				
Investment assets		-		4,131
Debtors (Note 7)	-		6	
Cash and bank balances (Note 8)	-		154	
Total other assets		-		160
Total assets		-		4,291
LIABILITIES				
Creditors (Note 9)	-		(20)	
Total liabilities		-		(20)
Net assets attributable to shareholders		-		4,271

The notes to these financial statements are shown on pages 171 to 172.

Statement of change in net assets attributable to shareholders

For the year ending 31 January

	£'000	2014 £'000	£'000	2013 £'000
Opening net assets attributable to shareholders		4,271		4,426
Amounts receivable on issue of shares	559		1,444	
Amounts payable on cancellation of shares	(3,819)		(643)	
		(3,260)		801
Change in net assets attributable to shareholders from investment activities (see above)		(1,018)		(954)
Retained distributions on accumulation shares		8		-
Stamp duty reserve tax		(1)		(2)
Closing net assets attributable to shareholders		-		4,271

Notes to the financial statements for the year ending 31 January 2014

1. Net capital losses

	2014	2013
	£'000	£'000
Currency losses	(7)	(6)
Non-derivative securities	(1,011)	(948)
Net capital losses	(1,018)	(954)

2. Revenue

	2014	2013
	£'000	£'000
Franked income from UK equity investments	19	33
Income from overseas equity investments	31	39
Interest on bank and term deposits	-	1
Total revenue	50	73

3. Expenses

	2014	2013
	£'000	£'000
Payable to the ACD or associate of the ACD:		
ACD fee	27	62
Fixed expenses	3	8
Total expenses	30	70

4. Taxation

	2014	2013
	£'000	£'000
a) Analysis of charge in the year		
Overseas tax suffered	4	4
Current year tax charge (Note 4b)	4	4

b) Factors affecting the tax charge for the year

The tax assessed for the year is equal to 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	20	3
Corporation tax at 20%	4	1
Effects of:		
Dividends not subject to corporation tax	(10)	(15)
Excess expenses for which no relief taken	6	14
Overseas tax suffered	4	4
	-	3
Current year tax charge (Note 4a)	4	4

No deferred tax asset has been recognised in the financial statements. At the year end date, the Fund had a potential unrecognised deferred tax asset of £31,752 (31.01.13: £25,734) in relation to £158,761 (31.01.13: £128,671) 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.

5. Finance costs

Distributions

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

	2014	2013
	£'000	£'000
Final dividend distribution	8	-
Add: Amounts payable on cancellation of shares	9	1
Deduct: Amounts receivable on issue of shares	(1)	(2)
Total finance costs	16	(1)

Details of the distribution per share are set out on page 173.

6. Movement between net revenue/(expenses) after taxation and distributions

	2014	2013
	£'000	£'000
Net revenue/(expenses) after taxation	16	(1)

7. Debtors

	2014	2013
	£'000	£'000
Accrued income	-	2
Due from the ACD for shares created	-	3
Overseas tax recoverable	-	1
Total debtors	-	6

8. Cash and bank balances

	2014	2013
	£'000	£'000
Cash and bank balances	-	154

9. Creditors

	2014	2013
	£'000	£'000
Accrued expenses	-	6
Due to the ACD for shares cancelled	-	14
Total creditors	-	20

Notes to the financial statements – continued

10. Portfolio transaction costs

	2014 £'000	2013 £'000
Analysis of total purchase costs		
Purchases in year before transaction costs	947	1,895
Commissions	-	2
Total purchase costs	-	2
Gross purchases total	947	1,897
Analysis of total sale costs		
Gross sales before transaction costs	4,068	1,082
Commissions	-	(2)
Total sale costs	-	(2)
Total sales net of transaction costs	4,068	1,080

11. 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 (31.01.13: £16,844). Details of related party transactions are given under note 13 on page 413.

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 £429 (31.01.13: £49). 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:

- JPMorgan Investments Limited 00.00% (31.01.13: 29.32%)
- Hargreaves Lansdown Nominees 00.00% (31.01.13: 22.89%)

12. Share classes

The Fund had three share classes; Class A Shares, Class B Shares and Class C Shares. The Authorised Corporate Director's (ACD) fee and fixed expenses charge were as shown below.

	ACD fee	Fixed expenses
Class A shares:	1.50%	0.18%
Class B shares:	1.00%	0.18%
Class C shares:	0.75%	0.18%

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 168. All classes had the same rights on winding up.

13. Contingent liabilities and capital commitments

At the balance sheet date there were no contingent liabilities or capital commitments (2013: none).

Distribution table

Final distribution in pence per share

Group 1 – Shares purchased prior to 1 February 2013

Group 2 – Shares purchased 1 February 2013 to 19 August 2013

	Gross revenue	Tax at 10%	Net revenue	Equalisation	Distribution paid	
					08.11.13	30.04.13
A-Class Accumulation Shares						
Group 1	0.111111	0.011111	0.000000	-	0.100000	0.000000
Group 2	0.044730	0.004473	0.040257	0.059743	0.100000	0.000000
B-Class Accumulation Shares						
Group 1	0.455556	0.045556	0.410000	-	0.410000	0.390000
Group 2	0.455556	0.045556	0.410000	0.000000	0.410000	0.390000
C-Class Accumulation Shares						
Group 1	0.711111	0.071111	0.640000	-	0.640000	0.380000
Group 2	0.711111	0.071111	0.640000	0.000000	0.640000	0.380000
C-Class Income Shares						
Group 1	0.700000	0.070000	0.630000	-	0.630000	0.270000
Group 2	0.499497	0.049950	0.449547	0.180453	0.630000	0.270000

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

Investment objective and policy^A

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

The Fund will invest in smaller companies and may invest in Emerging Markets on an ancillary basis.

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

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

Risk profile

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

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

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

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

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

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

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

Fund review

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

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

Fund outlook

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

12 month performance as at 31 January

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

Fund statistics

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

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

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

All equity indices stated as 'Net' are calculated net of tax as per the standard published approach by the index vendor unless stated otherwise. All performance returns are calculated using the quoted price of the accumulation shares. Performance returns are in Sterling.
Source: J.P. Morgan.

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

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

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

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.

Top ten holdings

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

Geographical breakdown

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

Highest/lowest share price and distribution record

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

^d To 31 January 2014.

^e B-Class Accumulation Shares were launched on 29 October 2012.

^f C-Class Accumulation Shares and C-Class Income Shares were launched on 20 August 2012.

Portfolio turnover rate

31.01.13	130.6%
31.01.14	131.2%

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

Portfolio transaction costs

	Broker Commissions	Transaction Taxes	Total
31.01.13	0.19%	0.04%	0.23%
31.01.14	0.17%	0.06%	0.23%

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

Stamp duty reserve tax

31.01.13	0.00%
31.01.14	0.01%

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

Net asset values and Ongoing charges

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

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

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

Portfolio statement

As at 31 January 2014

Investment	Holding	Market value £'000	Total net assets %
United States of America – 47.9% (45.3%)			
American Campus Communities	12,000	256	0.8
AvalonBay Communities	10,600	787	2.3
Boston Properties	16,350	1,073	3.2
Brandywine Realty Trust	45,200	392	1.2
CubeSmart	27,500	273	0.8
DCT Industrial Trust	91,400	395	1.2
DiamondRock Hospitality	34,500	242	0.7
Equity One	33,200	456	1.4
Equity Residential Properties Trust	10,700	358	1.1
Essex Property Trust	6,300	599	1.8
Extra Space Storage	18,400	507	1.5
General Growth Properties	51,900	630	1.9
Highwoods Properties	23,500	528	1.6
Hong Kong Land	84,000	306	0.9
Host Hotels & Resorts	92,500	1,030	3.1
Kilroy Realty	14,000	445	1.3
Kimco Realty	53,700	680	2.0
LaSalle Hotel Properties	16,000	297	0.9
Liberty Property Trust	20,800	457	1.4
Mid-America Apartment Communities	19,000	737	2.2
Prologis	53,656	1,265	3.8
Simon Property Group	18,526	1,721	5.1
Sunstone Hotel Investors	57,000	444	1.3
Ventas	33,253	1,249	3.7
Vornado Realty Trust	16,200	899	2.7
Japan – 15.6% (10.8%)			
GLP J-REIT	503	316	0.9
Japan Hotel REIT Investment	418	122	0.4
Japan Logistics Fund REIT	235	317	0.9
Japan Real Estate Investment Trust	208	653	1.9
Mitsubishi Estate	64,000	966	2.9
Mitsui Fudosan	95,000	1,856	5.5
Nippon Building Fund REIT	58	201	0.6
ORIX JREIT	208	168	0.5
Sumitomo Realty & Development	24,000	654	2.0
United Kingdom – 9.1% (4.9%)			
British Land	137,508	901	2.7
Derwent London	16,465	408	1.2
Hammerson	118,155	617	1.8
Helical Bar	61,988	219	0.7
Safestore	310,986	592	1.8
St Modwen Properties	76,875	299	0.9
Australia – 6.3% (8.5%)			
BGP#	577,927	-	-
Dexus Property Group Stapled Units	408,668	215	0.6
Goodman Group Stapled Units	270,271	668	2.0
Mirvac Group Stapled Units	573,665	505	1.5
Westfield Group Stapled Units	133,770	721	2.2
France – 5.0% (4.2%)			
ICADE	5,399	289	0.9
Unibail-Rodamco	9,563	1,391	4.1
Hong Kong – 4.6% (12.8%)			
China Overseas Land & Investments	60,000	98	0.3
Link Real Estate Investment Trust	58,000	159	0.5
New World Development	216,000	164	0.5
Sun Hung Kai Properties	54,000	400	1.2
Wharf	167,600	694	2.1
Singapore – 3.6% (5.5%)			
CapitaCommercial Trust Units	365,000	245	0.7
CapitaLand	219,000	287	0.9
CapitaMalls Asia	242,000	202	0.6
Global Logistic Properties	346,000	460	1.4
Canada – 2.8% (3.7%)			
Allied Properties Real Estate Investment Trust	17,500	307	0.9
Canadian Real Estate Investment Trust	18,100	412	1.2
First Capital Realty	25,285	239	0.7
Germany – 1.8% (0.7%)			
Alstria Office Real Estate Investment Trust	32,439	256	0.8
LEG Immobilien	9,211	332	1.0
Netherlands – 0.9% (1.7%)			
VastNed Retail	10,910	316	0.9

Investment	Holding	Market value £'000	Total net assets %
Finland – 0.5% (0.2%)			
Technopolis	46,119	174	0.5
Belgium – 0.4% (0.2%)			
Warehouses de Pauw	3,220	140	0.4
Austria – 0.1% (0.2%)			
Atrium European Real Estate	11,940	41	0.1
Italy – 0.1% (0.3%)			
Beni Stabili	78,963	36	0.1
Norway – 0.1% (0.0%)			
Norwegian Property	42,765	30	0.1
Forward currency contracts – 0.2% (1.3%)			
Australian Dollar			
Buy AUD131,991 sell £69,939 dated 14/02/14		-	-
Sell AUD4,164,365 buy £2,260,723 dated 14/02/14		59	0.2
Canadian Dollar			
Sell CAD1,699,382 buy £956,236 dated 14/02/14		34	0.1
Euro			
Sell €3,568,007 buy £2,953,356 dated 14/02/14		16	-
Hong Kong Dollar			
Buy HKD1,000,543 sell £78,803 dated 14/02/14		(1)	-
Buy HKD959,901 sell £74,502 dated 14/02/14		1	-
Sell HKD20,617,354 buy £1,620,221 dated 14/02/14		7	-
Japanese Yen			
Buy ¥203,430,445 sell £1,190,739 dated 14/02/14		19	0.1
Sell ¥1,090,879,048 buy £6,371,603 dated 14/02/14		(113)	(0.3)
Singapore Dollar			
Buy SGD234,110 sell £111,425 dated 14/02/14		-	-
Sell SGD2,781,285 buy £1,332,606 dated 14/02/14		11	-
US Dollar			
Buy \$1,182,954 sell £714,608 dated 14/02/14		4	-
Buy \$506,501 sell £308,437 dated 14/02/14		(1)	-
Sell \$124,214 buy AUD 142,235 dated 14/02/14		-	-
Sell \$27,023,389 buy £16,468,273 dated 14/02/14		49	0.1
Sell \$404,836 buy £244,287 dated 14/02/14		(2)	-
Investment assets (including investment liabilities)		33,179	99.0
Net other assets		344	1.0
Net assets		33,523	100.0

Unless otherwise stated the above securities are admitted to official stock exchange listings or trade on a regulated market.

The comparative percentage figures in brackets are at 31 January 2013.

Unquoted security

Counterparty exposure

Counterparty	Forward currency contracts £'000	Total £'000
BNP Paribas	0	0
CitiBank	0	0
Credit Suisse	97	97
Deutsche Bank	8	8
Merrill Lynch	(1)	(1)
Morgan Stanley	60	60
RBC	0	0
Societe Generale	14	14
State Street	6	6
Toront Dominion Bank	(1)	(1)
UBS	(109)	(109)
Westpac Banking Corp	9	9

At the balance sheet date, there was no collateral received by the fund from the above counterparties.

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.

Portfolio movements

For the year ending 31 January 2014

	£'000		£'000
Total of all purchases for the year (Note 10)	53,987	Total of all sales for the year (Note 10)	40,650
Major purchases	Cost	Major sales	Proceeds
Simon Property Group	1,791	Health Care Property Investors	1,822
Mitsubishi Estate	1,712	Simon Property Group	1,420
Mitsui Fudosan	1,697	Mitsubishi Estate	1,397
Host Hotels & Resorts	1,634	Westfield Group Stapled Units	1,065
Ventas	1,492	Equity Residential Properties Trust	1,039
Prologis	1,482	Public Storage	966
AvalonBay Communities	1,383	Apartment Investment & Management 'A'	846
Westfield Group Stapled Units	1,379	AvalonBay Communities	839
Health Care Property Investors	1,347	Extra Space Storage	839
Boston Properties	1,320	Duke Realty	829
Unibail-Rodamco	1,269	Mitsui Fudosan	801
Vornado Realty Trust	1,184	Digital Realty Trust	799
Extra Space Storage	1,159	Boston Properties	793
Equity Residential Properties Trust	1,076	Ventas	782
General Growth Properties	1,034	Cable & Associates Properties	707
Wharf	872	Host Hotels & Resorts	696
Kimco Realty	816	Regency Centers	694
Liberty Property Trust	787	Nippon Prologis REIT	690
Mirvac Group Stapled Units	783	Camden Property Trust	661
Highwoods Properties	783	General Growth Properties	634

Financial statements

Statement of total return

For the year ending 31 January

	£'000	2014 £'000	£'000	2013 £'000
Income				
Net capital (losses)/gains (Note 1)		(238)		3,447
Revenue (Note 2)	863		523	
Expenses (Note 3)	(333)		(166)	
Net revenue before taxation	530		357	
Taxation (Note 4)	(94)		(45)	
Net revenue after taxation		436		312
Total return before distributions		198		3,759
Finance costs: Distributions (Note 5)		(445)		(294)
Change in net assets attributable to shareholders from investment activities		(247)		3,465

Statement of change in net assets attributable to shareholders

For the year ending 31 January

	£'000	2014 £'000	£'000	2013 £'000
Opening net assets attributable to shareholders		22,720		16,763
Amounts receivable on issue of shares	33,743		8,777	
Amounts payable on cancellation of shares	(23,114)		(6,584)	
		10,629		2,193
Change in net assets attributable to shareholders from investment activities (see above)		(247)		3,465
Retained distributions on accumulation shares		425		300
Stamp duty reserve tax		(4)		(1)
Closing net assets attributable to shareholders		33,523		22,720

Balance sheet

As at 31 January

	£'000	2014 £'000	£'000	2013 £'000
ASSETS				
Investment assets		33,296		22,535
Debtors (Note 7)	1,045		497	
Cash and bank balances (Note 8)	959		381	
Total other assets		2,004		878
Total assets		35,300		23,413
LIABILITIES				
Investment liabilities		(117)		(338)
Creditors (Note 9)	(1,657)		(351)	
Distribution payable on income shares	(3)		(4)	
Total other liabilities		(1,660)		(355)
Total liabilities		(1,777)		(693)
Net assets attributable to shareholders		33,523		22,720

The notes to these financial statements are shown on pages 180 to 181.

Notes to the financial statements for the year ending 31 January 2014

1. Net capital (losses)/gains

	2014	2013
	£'000	£'000
Currency (losses)/gains	(433)	150
Forward currency contracts	2,930	3
Non-derivative securities	(2,735)	3,294
Net capital (losses)/gains	<u>(238)</u>	<u>3,447</u>

2. Revenue

	2014	2013
	£'000	£'000
Franked income from UK equity investments	23	7
Income from overseas equity investments	806	482
Interest on bank and term deposits	1	1
Property income distributions	33	28
Stock dividends	-	3
Stocklending income	-	2
Total revenue	<u>863</u>	<u>523</u>

3. Expenses

	2014	2013
	£'000	£'000
Payable to the ACD or associate of the ACD:		
ACD fee	290	146
Fixed expenses	43	20
Total expenses	<u>333</u>	<u>166</u>

4. Taxation

	2014	2013
	£'000	£'000
a) Analysis of charge in the year		
Corporation tax at 20%	55	22
Double tax relief	(55)	(37)
Overseas tax suffered	84	54
Prior year adjustments	10	6
Current year tax charge (Note 4b)	<u>94</u>	<u>45</u>

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	530	357
Corporation tax at 20%	<u>106</u>	<u>72</u>

Effects of:

Dividends not subject to corporation tax	(51)	(32)
Double tax relief	(55)	(37)
Overseas tax suffered	84	54
Prior year adjustments	10	6
Taxable gains on offshore funds	-	(18)
	<u>(12)</u>	<u>(27)</u>
Current year tax charge (Note 4a)	<u>94</u>	<u>45</u>

5. Finance costs

Distributions

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

	2014	2013
	£'000	£'000
Interim dividend distribution	232	170
Final dividend distribution	203	141
Add: Amounts payable on cancellation of shares	86	31
Deduct: Amounts receivable on issue of shares	(76)	(48)
Total finance costs	<u>445</u>	<u>294</u>

Details of the distribution per share are set out on pages 182 to 183.

6. Movement between net revenue after taxation and distributions

	2014	2013
	£'000	£'000
Net revenue after taxation	436	312
Add: Undistributed revenue brought forward	3	3
Deduct: Undistributed revenue carried forward	(4)	(3)
Deduct: Tax on capital offshore gains	10	(18)
	<u>445</u>	<u>294</u>

7. Debtors

	2014	2013
	£'000	£'000
Accrued income	78	34
Corporation tax recoverable	-	17
Due from the ACD for shares created	130	195
Overseas tax recoverable	2	4
Property income tax recoverable	6	4
Sales awaiting settlement	829	243
Total debtors	<u>1,045</u>	<u>497</u>

8. Cash and bank balances

	2014	2013
	£'000	£'000
Cash and bank balances	<u>959</u>	<u>381</u>

9. Creditors

	2014	2013
	£'000	£'000
Accrued expenses	26	18
Due to the ACD for shares cancelled	441	3
Purchases awaiting settlement	1,190	330
Total creditors	<u>1,657</u>	<u>351</u>

Notes to the financial statements – continued

10. Portfolio transaction costs

	2014 £'000	2013 £'000
Analysis of total purchase costs		
Purchases in year before transaction costs	53,930	22,977
Commissions	36	17
Taxes	21	7
Total purchase costs	57	24
Gross purchases total	53,987	23,001
Analysis of total sale costs		
Gross sales before transaction costs	40,683	20,316
Commissions	(28)	(16)
Taxes	(5)	(2)
Total sale costs	(33)	(18)
Total sales net of transaction costs	40,650	20,298

11. 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 £336,192 (31.01.13: £174,128). Details of related party transactions are given under note 13 on page 413.

Investments considered to be related parties were sold during the year. The revenue from these investments was £106 (31.01.13: £75).

The gross stocklending income received was £159 (31.01.13: £2,158), with fees deducted of £24 (31.01.13: £324).

The following party held a material interest in the Fund at the year end date:

- JP Morgan Life Diversified Equity Fund 34.47% (31.01.13: 34.48%)

12. 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.

Currency	Net foreign currency assets/(liabilities)		
	Total £'000	Monetary exposures £'000	Non-monetary exposures £'000
31.01.14			
US Dollar	347	(15,678)	16,025
Australian Dollar	89	(2,021)	2,110
Hong Kong Dollar	55	(1,460)	1,515
Euro	40	(2,935)	2,975
Canadian Dollar	38	(919)	957
Norwegian Krone	33	3	30
Singapore Dollar	(10)	(1,204)	1,194
Japanese Yen	(364)	(5,618)	5,254
31.01.13			
Japanese Yen	138	(2,314)	2,452
Canadian Dollar	92	(756)	848
Euro	62	(1,640)	1,702
Singapore Dollar	59	(1,192)	1,251
Hong Kong Dollar	(3)	(2,909)	2,906
Australian Dollar	(8)	(1,934)	1,926
US Dollar	(38)	(10,339)	10,301

Interest rate risk

At the year end date, 2.9% (31.01.13: 1.7%) of the Fund's net assets by value were interest bearing, carrying a (fixed/floating) rate.

For consideration of other risks including liquidity, pricing and credit risk, please refer to the notes to the aggregated financial statements, pages 413 to 414.

13. 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 fixed expenses charge are shown below.

	ACD fee	Fixed expenses
Class A shares:	1.50%	0.18%
Class B shares:	1.00%	0.18%
Class C shares:	0.75%	0.18%
Class I shares:	0.75%	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 page 176. All classes have the same rights on winding up.

14. Derivatives

The Fund enters into derivative transactions in the form of forward currency contracts for the purpose of efficient portfolio management. The positive mark to market approach has been used to calculate the global exposure.

Further information on the derivative risks can be found in the notes to the aggregated financial statements on page 414.

15. Contingent liabilities and capital commitments

At the balance sheet date there were no contingent liabilities or capital commitments (2013: none).

Distribution tables

Final distribution in pence per share

Group 1 – Shares purchased prior to 1 August 2013

Group 2 – Shares purchased 1 August 2013 to 31 January 2014

	Gross revenue	Tax at 10%	Net revenue	Equalisation	Distribution payable 30.04.14	Distribution paid 30.04.13
A-Class Accumulation Shares						
Group 1	0.155556	0.015556	0.140000	-	0.140000	0.190000
Group 2	0.069834	0.006983	0.062851	0.077149	0.140000	0.190000
A-Class Income Shares						
Group 1	0.133333	0.013333	0.120000	-	0.120000	0.170000
Group 2	0.050792	0.005079	0.045713	0.074287	0.120000	0.170000
B-Class Accumulation Shares						
Group 1	0.233333	0.023333	0.210000	-	0.210000	0.230000
Group 2	0.156982	0.015698	0.141284	0.068716	0.210000	0.230000
C-Class Accumulation Shares						
Group 1	0.733333	0.073333	0.660000	-	0.660000	0.710000
Group 2	0.280370	0.028037	0.252333	0.407667	0.660000	0.710000
C-Class Income Shares						
Group 1	0.722222	0.072222	0.650000	-	0.650000	0.720000
Group 2	0.478014	0.047801	0.430213	0.219787	0.650000	0.720000
I-Class Accumulation Shares						
Group 1	0.600000	0.060000	0.540000	-	0.540000	0.870000
Group 2	0.600000	0.060000	0.540000	0.000000	0.540000	0.870000
I-Class Income Shares						
Group 1	0.522222	0.052222	0.470000	-	0.470000	0.640000
Group 2	0.522222	0.052222	0.470000	0.000000	0.470000	0.640000
X-Class Accumulation Shares						
Group 1	1.044444	0.104444	0.940000	-	0.940000	0.950000
Group 2	0.798160	0.079816	0.718344	0.221656	0.940000	0.950000

Distribution tables – continued

Interim distribution in pence per share

Group 1 – Shares purchased prior to 1 February 2013

Group 2 – Shares purchased 1 February 2013 to 31 July 2013

	Gross revenue	Tax at 10%	Net revenue	Equalisation	Distribution paid 31.10.13	Distribution paid 31.10.12
A-Class Accumulation Shares						
Group 1	0.333333	0.033333	0.300000	-	0.300000	0.330000
Group 2	0.192733	0.019273	0.173460	0.126540	0.300000	0.330000
A-Class Income Shares						
Group 1	0.300000	0.030000	0.270000	-	0.270000	0.300000
Group 2	0.203651	0.020365	0.183286	0.086714	0.270000	0.300000
B-Class Accumulation Shares						
Group 1	0.422222	0.042222	0.380000	-	0.380000	-
Group 2	0.422222	0.042222	0.380000	0.000000	0.380000	-
C-Class Accumulation Shares						
Group 1	1.133333	0.113333	1.020000	-	1.020000	-
Group 2	0.322667	0.032267	0.290400	0.729600	1.020000	-
C-Class Income Shares						
Group 1	1.122222	0.112222	1.010000	-	1.010000	-
Group 2	1.001334	0.100133	0.901201	0.108799	1.010000	-
I-Class Accumulation Shares						
Group 1	1.111111	0.111111	1.000000	-	1.000000	1.000000
Group 2	1.111111	0.111111	1.000000	0.000000	1.000000	1.000000
I-Class Income Shares						
Group 1	0.900000	0.090000	0.810000	-	0.810000	0.850000
Group 2	0.900000	0.090000	0.810000	0.000000	0.810000	0.850000
X-Class Accumulation Shares						
Group 1	1.366667	0.136667	1.230000	-	1.230000	1.230000
Group 2	1.209530	0.120953	1.088577	0.141423	1.230000	1.230000

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 Institutional Asia Fund

Investment objective and policy

To invest in a portfolio of securities in the markets of Asia (excluding Japan) and Australasia. The current policy is to invest for capital growth without any distribution target.

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

The Fund aims to provide broad market exposure which will include exposure to Emerging Markets. Smaller company investments and Participation Notes may be held on an ancillary basis.

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.

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

Over the 12 months ending January 2014, Asian equity markets overall were weak, as the onset of tapering in the US caused currencies to weaken and fund flows to reverse, as well as continued worsening current account balances in some countries. India continued to be weighed down by slowing economic growth, and Thailand's renewed political impasse caused the Thai market to underperform. In China, the leadership's determination regarding economic reform is causing investors to remain cautious.

The Fund delivered a negative return and underperformed its benchmark in the review period. The majority of the underperformance was attributable to negative asset allocation, most notably the overweight in China and the underweight in Malaysia. Stock selection overall was positive, but specific stock picks in India and Taiwan further detracted from performance. Stock selection in China was strong.

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

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

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

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

Source: J.P. Morgan.

^a On 01/03/13 the Fund's benchmark was changed from FSTE All World Asia Pacific ex Japan Index (Net) to MSCI All Country Asia Pacific ex Japan Index (Net). On 01/08/09 the benchmark for the Fund changed from FTSE World Asia Pacific ex Japan (Total Return Net) to FTSE All-World Asia Pacific ex Japan Index (Net).

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

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

Fund outlook

Some of the headwinds that have weighed on Asian stock markets remain, such as downward earnings revisions and emerging market redemptions. That said, there is plenty of evidence of a revival in local risk appetite, be it small caps in Taiwan, biotech in China or the recent sharp recovery in Indonesian securities. Though one cannot discern the catalyst to revive these markets, there is solid valuation support on the downside. In the near term, elections in India and Indonesia will drive sentiment. In China, we expect the macro environment to be stable in 2014, while reform implementations become the focus. However, investors should anticipate continued volatility as market participants accustomed to high GDP growth prints weigh up the impact of reform.

12 month performance as at 31 January

	2014	2013	2012	2011	2010
JPM Institutional Asia I-Class Acc	-8.8%	12.6%	-8.4%	27.4%	50.4%
JPM Institutional Asia X-Class Inc	-8.2%	13.3%	-7.7%	28.1%	51.3%
Benchmark Index ^a	-7.9%	13.7%	-4.2%	25.6%	56.2%

Fund statistics

Risk and Reward Profile	6*
Fund size	£83.5m
Benchmark Index ^a	FTSE All-World Asia Pacific ex Japan Index (Net)
Fund charges	
I-Class	Initial Nil, Annual 0.70%
X-Class	On application ^b

Top ten holdings

	%
Samsung Electronics	4.6
Australia & New Zealand Bank Group	3.6
Tencent	3.3
BHP Billiton	3.3
Taiwan Semiconductor Manufacturing	3.3
POSCO	2.4
Commonwealth Bank of Australia	2.3
China Construction Bank 'H'	2.3
Aia Group	2.2
DBS Group	1.9

Geographical breakdown

	%
Australia	24.2
China	18.5
South Korea	14.8
Hong Kong	12.9
Taiwan	10.6
India	6.1
Thailand	3.2
Singapore	3.2
Malaysia	1.7
Indonesia	1.3
Philippines	0.4
Net other assets	3.1

Highest/lowest share price and distribution record

Calendar year	Highest share price	Lowest share price	Distribution per share (net)
H-Class Accumulation Shares^c			
2009	163.0p	93.27p	-
2010 ^d	168.3p	149.9p	0.59p
I-Class Accumulation Shares			
2009	224.6p	128.5p	3.83p
2010	275.9p	205.2p	3.22p
2011	279.4p	199.2p	4.30p
2012	259.3p	220.6p	4.68p
2013	294.5p	247.0p	4.47p
2014 ^e	261.6p	248.0p	4.97p
X-Class Income Shares			
2009	202.7p	114.6p	4.43p
2010	246.0p	182.0p	3.49p
2011	249.2p	174.5p	5.22p
2012	223.1p	189.1p	5.49p
2013	248.1p	208.4p	5.17p
2014 ^e	221.4p	210.0p	5.98p

^c H-Class Accumulation Shares were launched on 2 February 2009.

^d H-Class Accumulation Shares closed on 1 February 2010.

^e To 31 January 2014.

Portfolio turnover rate

31.01.13	114.3%
31.01.14	116.3%

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

Portfolio transaction costs

	Broker Commissions	Transaction Taxes	Total
31.01.13	0.21%	0.15%	0.36%
31.01.14	0.21%	0.16%	0.37%

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

Stamp duty reserve tax

31.01.13	0.00%
31.01.14	0.00%

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

Net asset values and Ongoing charges

Date	Net asset value per share class £'000	Number of shares	Net asset value per share	Ongoing charges
I-Class Accumulation Shares				
31.01.12	317,872	131,398,663	241.9p	0.70%
31.01.13	148,789	54,625,165	272.4p	0.70%
31.01.14	83,445	33,552,139	248.7p	0.70%
X-Class Income Shares				
31.01.12	2,905	1,403,951	206.9p	0.06%
31.01.13	1,398	609,697	229.3p	0.06%
31.01.14	76	37,070	204.7p	0.06%

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

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

Portfolio statement

As at 31 January 2014

Investment	Holding	Market value £'000	Total net assets %
Australia – 24.2% (21.3%)			
Amcor	197,146	1,117	1.3
Asciano Group	316,736	942	1.1
Aurizon Holdings	312,624	812	1.0
Australia & New Zealand Bank Group	187,000	2,980	3.6
BHP Billiton	141,812	2,744	3.3
Boral	353,000	887	1.1
Brambles	234,999	1,120	1.3
Commonwealth Bank of Australia	50,000	1,964	2.3
Cover-More Group	400,000	389	0.5
CSL	36,292	1,350	1.6
Insurance Australia Group	480,031	1,395	1.7
Oil Search	268,784	1,142	1.4
QBE Insurance Group	64,311	391	0.5
Rio Tinto	26,083	906	1.1
Stockland Trust Group	437,152	840	1.0
Telstra Corporation	378,422	1,029	1.2
Treasury Wine Estates	102,158	197	0.2
China – 18.5% (14.0%)			
Agricultural Bank of China 'H'	3,981,000	1,053	1.3
Beijing Enterprises Water Group	1,920,000	658	0.8
China Construction Bank 'H'	4,534,990	1,909	2.3
China Life Insurance 'H'	456,000	755	0.9
China Longyuan Power Group 'H'	918,000	669	0.8
China Minsheng Banking 'H'	1,389,000	830	1.0
China Oilfield Services 'H'	424,000	683	0.8
China Overseas Land & Investments	564,000	922	1.1
China Petroleum & Chemical 'H'	2,335,200	1,124	1.3
China Resources Gas Group	356,000	671	0.8
China Telecom 'H'	1,502,000	423	0.5
China Vanke 'B'	788,176	778	0.9
CNOOC	616,000	587	0.7
Dongfeng Motor Group 'H'	466,000	416	0.5
Great Wall Motor	199,500	578	0.7
Huaneng Renewables 'H'	1,440,000	365	0.4
MGM China	207,200	497	0.6
Ping An Insurance 'H'	235,000	1,156	1.4
Sands China	156,800	734	0.9
Want Want China	804,000	657	0.8
South Korea – 14.8% (15.1%)			
Hyundai Development	26,210	357	0.4
Hyundai Heavy Industries	4,301	541	0.6
Hyundai Motor	3,404	447	0.5
KB Financial Group	65,243	1,362	1.6
KIA Motors	21,835	660	0.8
Korea Investment	20,350	451	0.5
LG Chemical	5,087	742	0.9
LG Household & Healthcare	500	134	0.2
POSCO	11,972	2,005	2.4
Samsung Electronics	5,310	3,814	4.6
Samsung Securities	20,860	508	0.6
Shinhan Financial	26,460	678	0.8
SK Innovation	10,389	740	0.9
Hong Kong – 12.9% (20.1%)			
AAC Technologies	236,500	618	0.7
Aia Group	666,200	1,866	2.2
Cheung Kong	99,000	891	1.1
Galaxy Entertainment Group	202,000	1,205	1.4
Hutchison Whampoa	138,000	1,040	1.3
Intime Retail Group	735,500	449	0.5
Lifestyle International	463,500	505	0.6
Orient Overseas International	157,500	399	0.5
Tencent	65,000	2,759	3.3
Tingyi	414,000	651	0.8
Wharf	100,800	417	0.5
Taiwan – 10.6% (6.7%)			
Advanced Semiconductor Engineering	1,387,000	779	0.9
Cheng Shin Rubber Industries	109,200	167	0.2
China Life Insurance	1,189,300	689	0.8
China Steel Chemical	149,000	500	0.6
Delta Electronics	243,000	807	1.0
E Sun Financial	1,227,000	462	0.6
Innolux	1,954,000	411	0.5
MediaTek	106,000	849	1.0
Ruentex Development	356,160	380	0.5
Taiwan Semiconductor Manufacturing	1,296,237	2,725	3.3
Uni-President Enterprises	516,483	516	0.6
United Microelectronics	2,145,000	530	0.6

Investment	Holding	Market value £'000	Total net assets %
India – 6.1% (8.9%)			
Ambuja Cements	245,000	380	0.5
Godrej Industries	227,723	599	0.7
HDFC Bank	205,000	1,249	1.5
Housing Development Finance	88,928	695	0.8
Infosys Technologies	31,809	1,139	1.4
Tata Motors ADR	56,297	971	1.2
Thailand – 3.2% (5.8%)			
Banpu (Alien Market)	699,400	338	0.4
Kasikornbank (Alien Market)	186,300	581	0.7
Kasikornbank Non-Voting Depositary Receipt	74,700	233	0.3
LPN Development Public (Alien Market)	1,515,000	405	0.5
PTT Exploration & Production (Alien Market)	157,000	441	0.5
Siam Cement Non-Voting Depositary Receipt	92,200	689	0.8
Singapore – 3.2% (4.9%)			
CapitaMalls Asia	701,000	585	0.7
DBS Group	204,000	1,594	1.9
Global Logistic Properties	357,000	475	0.6
Malaysia – 1.7% (0.0%)			
Sapura Kencana Petroleum	878,100	700	0.8
Tenaga Nasional	348,500	740	0.9
Indonesia – 1.3% (2.3%)			
Bank Central Asia	1,114,000	550	0.7
Telekomunikasi Indonesia 'B'	4,186,000	471	0.6
Philippines – 0.4% (0.0%)			
BDO Unibank	313,190	332	0.4
Investment assets		80,891	96.9
Net other assets		2,630	3.1
Net assets		83,521	100.0

Unless otherwise stated the above securities are admitted to official stock exchange listings or trade on a regulated market.

The comparative percentage figures in brackets are at 31 January 2013.

Portfolio movements

For the year ending 31 January 2014

	£'000		£'000
Total of all purchases for the year (Note 10)	93,049	Total of all sales for the year (Note 10)	153,275
Major purchases	Cost	Major sales	Proceeds
China Petroleum & Chemical 'H'	3,399	Samsung Electronics	6,048
Samsung Electronics	2,873	Jardine Strategic	4,287
POSCO	2,708	Westpac Banking	4,058
Industrial & Commercial Bank of China 'H'	2,575	Industrial & Commercial Bank of China 'H'	3,990
Commonwealth Bank of Australia	1,976	China Construction Bank 'H'	3,614
CNOOC	1,764	Hyundai Motor	3,430
Taiwan Semiconductor Manufacturing	1,599	CNOOC	3,088
Agricultural Bank of China 'H'	1,529	Australia & New Zealand Bank Group	2,935
China Construction Bank 'H'	1,483	Aia Group	2,833
China Minsheng Banking 'H'	1,463	BHP Billiton	2,728
KB Financial Group	1,447	Tencent	2,723
BHP Billiton	1,408	KB Financial Group	2,708
Hutchison Whampoa	1,392	KIA Motors	2,666
Hyundai Motor	1,289	Kasikornbank (Alien Market)	2,389
Westfield Group Stapled Units	1,174	POSCO	2,355
Hyundai Heavy Industries	1,134	Cheung Kong	2,262
Great Wall Motor	1,067	Wharf	2,229
MediaTek	1,052	China Petroleum & Chemical 'H'	2,202
Cheng Shin Rubber Industries	1,038	Telekomunikasi Indonesia 'B'	2,133
SK Innovation	1,022	Infrastructure Development Finance	2,047

Financial statements

Statement of total return

For the year ending 31 January

	£'000	2014 £'000	£'000	2013 £'000
Income				
Net capital (losses)/gains (Note 1)		(7,896)		3,548
Revenue (Note 2)	2,671		5,841	
Expenses (Note 3)	(715)		(1,468)	
Net revenue before taxation	1,956		4,373	
Taxation (Note 4)	(17)		(323)	
Net revenue after taxation		1,939		4,050
Total return before distributions		(5,957)		7,598
Finance costs: Distributions (Note 5)		(1,940)		(4,049)
Change in net assets attributable to shareholders from investment activities		(7,897)		3,549

Balance sheet

As at 31 January

	£'000	2014 £'000	£'000	2013 £'000
ASSETS				
Investment assets		80,891		148,805
Debtors (Note 7)	2,978		3,435	
Cash and bank balances (Note 8)	2,195		2,609	
Total other assets		5,173		6,044
Total assets		86,064		154,849
LIABILITIES				
Creditors (Note 9)	(2,541)		(4,630)	
Distribution payable on income shares	(2)		(32)	
Total liabilities		(2,543)		(4,662)
Net assets attributable to shareholders		83,521		150,187

The notes to these financial statements are shown on pages 189 to 191

Statement of change in net assets attributable to shareholders

For the year ending 31 January

	£'000	2014 £'000	£'000	2013 £'000
Opening net assets attributable to shareholders		150,187		320,777
Amounts transferred to other funds	(47,549)		-	
Amounts receivable on issue of shares	34,547		14,554	
Amounts payable on cancellation of shares	(47,435)		(191,135)	
		(60,437)		(176,581)
Change in net assets attributable to shareholders from investment activities (see above)		(7,897)		3,549
Retained distributions on accumulation shares		1,668		2,442
Closing net assets attributable to shareholders		83,521		150,187

Notes to the financial statements for the year ending 31 January 2014

1. Net capital (losses)/gains

	2014	2013
	£'000	£'000
Currency (losses)/gains	(182)	141
Derivative contracts	-	616
Non-derivative securities	(7,714)	2,791
Net capital (losses)/gains	(7,896)	3,548

2. Revenue

	2014	2013
	£'000	£'000
Franked income from UK equity investments	-	13
Income from overseas equity investments	2,607	5,394
Interest on bank and term deposits	1	11
Stock dividends	63	423
Total revenue	2,671	5,841

3. Expenses

	2014	2013
	£'000	£'000
Payable to the ACD or associate of the ACD:		
ACD fee	715	1,467
Fixed expenses	-	1
Total expenses	715	1,468

4. Taxation

	2014	2013
	£'000	£'000
a) Analysis of charge in the year		
Overseas tax provision	-	11
Overseas tax suffered	17	312
Current year tax charge (Note 4b)	17	323

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	1,956	4,373
Corporation tax at 20%	391	875

Effects of:

Dividends not subject to corporation tax	(529)	(1,137)
Excess expenses for which no relief taken	138	265
Overseas tax expensed	-	(3)
Overseas tax provision	-	11
Overseas tax suffered	17	312
	(374)	(552)
Current year tax charge (Note 4a)	17	323

No deferred tax asset has been recognised in the financial statements. At the year end date, the Fund had a potential unrecognised deferred tax asset of £1,997,271 (31.01.13: £1,859,760) in relation to £9,986,356 (31.01.13: £9,298,801) 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.

5. Finance costs

Distributions

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

	2014	2013
	£'000	£'000
Final dividend distribution	1,670	2,474
Add: Amounts payable on cancellation of shares	627	1,646
Deduct: Amounts receivable on issue of shares	(357)	(71)
Total finance costs	1,940	4,049

Details of the distribution per share are set out on page 192.

6. Movement between net revenue after taxation and distributions

	2014	2013
	£'000	£'000
Net revenue after taxation	1,939	4,050
Add: Undistributed revenue brought forward	3	2
Deduct: Undistributed revenue carried forward	(2)	(3)
	1,940	4,049

7. Debtors

	2014	2013
	£'000	£'000
Accrued income	171	251
Due from the ACD for shares created	2	24
Overseas tax recoverable	41	-
Sales awaiting settlement	2,764	3,160
Total debtors	2,978	3,435

8. Cash and bank balances

	2014	2013
	£'000	£'000
Cash and bank balances	2,195	2,609
Total cash and bank balances	2,195	2,609

9. Creditors

	2014	2013
	£'000	£'000
Accrued expenses	52	87
Due to the ACD for shares cancelled	76	74
Purchases awaiting settlement	2,413	4,469
Total creditors	2,541	4,630

Notes to the financial statements – continued

10. Portfolio transaction costs

	2014 £'000	2013 £'000
Analysis of total purchase costs		
Purchases in year before transaction costs	92,874	154,248
Commissions	134	232
Taxes	41	69
Total purchase costs	175	301
Gross purchases total	93,049	154,549
Analysis of total sale costs		
Gross sales before transaction costs	153,584	303,040
Commissions	(131)	(230)
Taxes	(178)	(348)
Total sale costs	(309)	(578)
Total sales net of transaction costs	153,275	302,462

11. 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 £125,857 (31.01.13: £137,345). Details of related party transactions are given under note 13 on page 413.

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/period were £7,474 (31.01.13: £115,394). 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:
– JP Morgan Life Ltd 97.80% (31.01.13: 97.79%)

12. 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.

Currency	Net foreign currency assets/(liabilities)		
	Total £'000	Monetary exposures £'000	Non-monetary exposures £'000
31.01.14			
Hong Kong Dollar	26,802	537	26,265
Australian Dollar	20,162	(43)	20,205
Korean Won	12,619	180	12,439
Taiwan Dollar	9,133	318	8,815
Indian Rupee	4,062	-	4,062
US Dollar	2,777	1,806	971
Thailand Baht	2,687	-	2,687
Singapore Dollar	2,654	-	2,654
Malaysian Ringgit	1,440	-	1,440
Indonesian Rupiah	1,021	-	1,021
Philippine Peso	284	(48)	332
31.01.13			
Hong Kong Dollar	47,999	(605)	48,604
Australian Dollar	31,937	8	31,929
Korean Won	22,541	(98)	22,639
Indian Rupee	10,833	(501)	11,334
US Dollar	10,210	1,467	8,743
Taiwan Dollar	10,156	44	10,112
Thailand Baht	8,693	(82)	8,775
Singapore Dollar	4,125	902	3,223
Indonesian Rupiah	3,760	314	3,446

Notes to the financial statements – continued

Interest rate risk

The tables below detail the interest rate profile of the Fund's assets and liabilities as at the year end.

Currency	Total assets £'000	Floating rate financial assets £'000	Fixed rate financial assets £'000	Financial assets not carrying any interest £'000
31.01.14				
Hong Kong Dollar	27,047	57	-	26,990
Australian Dollar	22,180	28	-	22,152
Korean Won	12,721	-	-	12,721
Taiwan Dollar	9,133	295	-	8,838
Indian Rupee	4,062	-	-	4,062
US Dollar	2,777	1,807	-	970
Thailand Baht	2,687	-	-	2,687
Singapore Dollar	2,654	-	-	2,654
Malaysian Ringgit	1,440	-	-	1,440
Indonesian Rupiah	1,021	-	-	1,021
Philippine Peso	332	-	-	332
UK Sterling	10	8	-	2
31.01.13				
Hong Kong Dollar	48,998	49	-	48,949
Australian Dollar	32,118	-	-	32,118
Korean Won	22,979	-	-	22,979
Indian Rupee	11,644	-	-	11,644
US Dollar	10,946	1,826	-	9,120
Taiwan Dollar	10,435	323	-	10,112
Thailand Baht	9,719	-	-	9,719
Singapore Dollar	4,125	310	-	3,815
Indonesian Rupiah	3,760	-	-	3,760
UK Sterling	125	101	-	24

The floating rate financial assets are bank balances that bear interest at rates based on LIBOR or its overseas equivalent.

The floating rate financial assets comprise investments in variable interest rate paying corporate debt and bank balances that bear interest at rates based on LIBOR or its overseas equivalent.

Currency	Total liabilities £'000	Floating rate financial liabilities £'000	Financial liabilities not carrying any interest £'000
31.01.14			
Australian Dollar	2,018	-	2,018
Hong Kong Dollar	245	-	245
UK Sterling	130	-	130
Korean Won	102	-	102
Philippine Peso	48	-	48
31.01.13			
Thailand Baht	1,026	-	1,026
Hong Kong Dollar	999	-	999
Indian Rupee	811	-	811
US Dollar	736	-	736
Korean Won	438	-	438
Taiwan Dollar	279	-	279
UK Sterling	192	-	192
Australian Dollar	181	-	181

For consideration of other risks including liquidity, pricing and credit risk, please refer to the notes to the aggregated financial statements, pages 413 to 414.

13. Share classes

The Fund currently has two share classes; Class I Shares and Class X Shares. The Authorised Corporate Director's (ACD) fee and fixed expenses charge are shown below.

	ACD fee	Fixed expenses
Class I shares:	0.70%	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 page 185. All classes have the same rights on winding up.

14. Derivatives

The Fund enters into derivative transactions in the form of futures for the purpose of efficient portfolio management. The commitment approach has been used to calculate the global exposure.

Further information on the derivative risks can be found in the notes to the aggregated financial statements on page 414.

15. Contingent liabilities and capital commitments

At the balance sheet date there were no contingent liabilities or capital commitments (2013: none).

Distribution table

Final distribution in pence per share

Group 1 – Shares purchased prior to 1 February 2013

Group 2 – Shares purchased 1 February 2013 to 31 January 2014

	Gross revenue	Tax at 10%	Net revenue	Equalisation	Distribution paid	
					16.03.14	16.03.13
I-Class Accumulation Shares						
Group 1	5.522222	0.552222	4.970000	-	4.970000	4.470000
Group 2	4.888609	0.488861	4.399748	0.570252	4.970000	4.470000
X-Class Income Shares						
Group 1	6.644444	0.664444	5.980000	-	5.980000	5.170000
Group 2	2.209548	0.220955	1.988593	3.991407	5.980000	5.170000

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 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.

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

Risk profile

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

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

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 Part 1: 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

Following the December 2012 lower house election, the Liberal Democratic Party, under leader Shinzo Abe, also won in the summer upper house election. Prime minister Abe continues to enjoy high support rates, which should allow him to push forward with his policies. In April, the new governor of the Bank of Japan announced aggressive monetary easing to help achieve a 2% inflation target. Partly as a result of this easing, inflation returned and the Japanese yen continued to weaken. Macroeconomic data, such as GDP growth and unemployment, was generally strong. Results from the corporate sector were good, particularly export-related companies, which benefited from the weaker currency. In September, Tokyo was awarded the 2020 Summer Olympics. Sino-Japanese relations continued to be difficult and we are watching developments closely.

The Fund rose in absolute terms and outperformed the benchmark in the review period, almost entirely due to stock selection. Real estate-related companies Hulic, Orix and Tokyo Tatemono benefited from the improved economic outlook, while Kakaku.com is rapidly winning new customers for its restaurant website. The top contributor was Asahi Intecc, a medical equipment manufacturer.

Fund outlook

The outlook is positive: government policy is supportive, the yen is weakening, the global economic outlook is improving and valuations remain attractive. We are particularly optimistic on the effect the end of deflation will have on the economy. Our primary overweight positions are in financials, real estate, services and retail, as we expect the domestic economy to receive a significant boost as inflation returns. We also focus on areas such as the increasing penetration of internet shopping, growth in online content as people increasingly use mobile devices, the ageing population and consolidation in domestic Japan.

12 month performance as at 31 January

	2014	2013	2012	2011	2010
JPM Japan A-Class Acc	26.6%	2.1%	-3.6%	8.1%	2.2%
JPM Japan B-Class Acc	27.0%	-	-	-	-
JPM Japan C-Class Acc	27.6%	2.9%	-2.7%	8.9%	3.1%
Benchmark Index	14.1%	5.9%	-7.5%	13.8%	2.9%
JPM Japan C-Class Acc (GBP Hedged)^A	-	-	-	-	-
Hedged Benchmark Index	-	-	-	-	-

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

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

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

Source: J.P. Morgan.

^A C-Class Accumulation Shares (GBP Hedged) were launched on 29 July 2013, therefore 12 month performance to 31 January is not available.

Fund statistics

Risk and Reward Profile	6*
Fund size	£80.2m
Benchmark Index	TOPIX (Net)
Hedged Benchmark Index	TOPIX (Net) hedged to GBP
Fund charges	
A-Class	Initial 3.00%, Annual 1.50%
B-Class	Initial Nil, Annual 1.00%
C-Class	Initial Nil, Annual 0.75%

Top ten holdings

	%
Sumitomo Mitsui Financial Group	5.1
Mitsubishi UFJ Financial Group	4.5
Softbank	3.9
Mazda Motor	3.6
ORIX	2.8
Rakuten	2.6
Asahi Intecc	2.5
Sumitomo Realty & Development	2.2
Fuji Heavy Industries	2.2
Kakaku.com	2.1

Sector breakdown

	%
Industrials	23.6
Financials	22.1
Consumer services	17.8
Consumer goods	17.5
Health care	7.8
Telecommunications	6.3
Technology	4.9
Net other liabilities	0.0

Highest/lowest share price and distribution record

Calendar year	Highest share price	Lowest share price	Distribution per share (net)
A-Class Accumulation Shares			
2009	184.6p	131.3p	0.83p
2010	212.6p	164.2p	0.00p
2011	207.3p	156.7p	0.00p
2012	193.9p	169.4p	0.03p
2013	251.9p	176.7p	0.49p
2014 ^B	249.0p	236.3p	0.00p
A-Class Income Shares			
2009	44.57p	44.11p	0.14p
2010	51.34p	39.65p	0.00p
2011	50.05p	37.83p	0.00p
2012	46.81p	40.89p	0.00p
2013	60.61p	42.64p	0.10p
2014 ^B	59.93p	56.86p	0.00p
B-Class Accumulation Shares^C			
2012	177.5p	169.8p	-
2013	252.8p	176.9p	0.73p
2014 ^B	250.2p	237.4p	0.00p
C-Class Accumulation Shares			
2009	95.67p	68.38p	0.89p
2010	110.8p	85.88p	0.39p
2011	109.0p	82.18p	0.69p
2012	102.4p	90.04p	0.82p
2013	134.8p	94.07p	1.01p
2014 ^B	133.5p	126.7p	0.24p
C-Class Accumulation GBP Hedged Shares^D			
2013	119.2p	99.16p	-
2014 ^B	120.5p	113.2p	0.00p
C-Class Income Shares^E			
2012	100.4p	95.71p	-
2013	142.4p	100.0p	0.64p
2014 ^B	141.0p	133.8p	0.20p

^B To 31 January 2014.

^C B-Class Accumulation Shares were launched on 29 October 2012.

^D C-Class Accumulation GBP Hedged Shares were launched on 29 July 2013.

^E C-Class Income Shares were launched on 20 August 2012.

Portfolio turnover rate

31.01.13	344.9%
31.01.14	25.1%

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

Portfolio transaction costs

	Broker Commissions	Transaction Taxes	Total
31.01.13	0.24%	0.00%	0.24%
31.01.14	0.15%	0.00%	0.22%

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

Stamp duty reserve tax

31.01.13	0.00%
31.01.14	0.00%

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

Net asset values and Ongoing charges

Date	Net asset value per share class £'000	Number of shares	Net asset value per share	Ongoing charges
A-Class Accumulation Shares				
31.01.12	73,408	40,002,768	183.5p	1.67%
31.01.13	63,061	33,658,190	187.4p	1.68%
31.01.14	75,400	31,772,821	237.3p	1.68%
A-Class Income Shares				
31.01.12	299	674,148	44.32p	1.65%
31.01.13	289	640,448	45.10p	1.68%
31.01.14	413	723,914	57.11p	1.68%
B-Class Accumulation Shares				
31.01.13	3	1,500	187.7p	1.18%
31.01.14	66	27,767	238.5p	1.18%
C-Class Accumulation Shares				
31.01.12	2,038	2,102,190	96.95p	0.87%
31.01.13	1,862	1,866,613	99.78p	0.93%
31.01.14	3,388	2,661,745	127.3p	0.93%
C-Class Accumulation GBP Hedged Shares				
31.01.14	160	141,480	113.0p	0.93%
C-Class Income Shares				
31.01.13	1	1,098	105.4p	0.93%
31.01.14	804	598,932	134.2p	0.93%

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

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

Portfolio statement

As at 31 January 2014

Investment	Holding	Market value £'000	Total net assets %
Industrials – 23.6% (31.5%)			
Construction & materials – 5.2%			
Nippon Sheet Glass	1,655,000	1,328	1.7
Sanwa	210,000	896	1.1
Sho-Bond	28,000	813	1.0
Taiheiyo Cement	497,000	1,128	1.4
Electronics & electrical equipment – 4.2%			
Keyence	6,600	1,668	2.1
Murata Manufacturing	15,600	890	1.1
Omron	33,500	812	1.0
Industrial engineering – 6.3%			
Daikin Industries	45,100	1,596	2.0
FANUC	11,400	1,134	1.4
Kubota	72,000	683	0.9
Misumi Group	44,900	791	1.0
Mitsubishi Electric	110,000	770	1.0
Support services – 7.9%			
Askul	43,000	1,001	1.2
Infomart Corporation	105,600	1,085	1.4
Monotaro	115,200	1,512	1.9
Pasona Group	158,900	609	0.8
Sohgo Securities	68,200	783	1.0
Yumeshin	240,900	1,304	1.6
Financials – 22.1% (23.3%)			
Banks – 10.5%			
Mitsubishi UFJ Financial Group	982,000	3,636	4.5
Seven Bank	295,900	691	0.9
Sumitomo Mitsui Financial Group	143,800	4,122	5.1
Financial services – 1.7%			
Aeon Financial Services	48,000	685	0.9
Credit Saison	43,300	655	0.8
General financial – 4.6%			
Nihon M&A Center	28,100	1,428	1.8
ORIX	237,600	2,244	2.8
Real estate – 5.3%			
Hulic	69,200	540	0.7
Industrial & Infrastructure Fund	118	593	0.7
Sumitomo Realty & Development	66,000	1,799	2.2
Tokyo Tatemono	114,000	656	0.8
Tokyu Fudosan	141,700	746	0.9
Consumer services – 17.8% (8.2%)			
Food & drug retails – 0.5%			
Cosmos Pharmaceuticals	5,500	421	0.5
General retailers – 12.5%			
Beauty Garage	18,700	224	0.3
CookPad	63,500	1,278	1.6
Don Quijote	38,000	1,427	1.8
Kakaku.com	147,000	1,712	2.1
Livesense	25,000	328	0.4
Park 24	73,100	920	1.1
Rakuten	207,500	2,074	2.6
Ryohin Keikaku	12,600	708	0.9
Seria	41,200	1,032	1.3
Tokyo Individualized	153,900	322	0.4
Media – 3.8%			
Fuji Media	121,300	1,394	1.7
M3	918	1,645	2.1
Travel & leisure – 1.0%			
H.I.S.	24,200	804	1.0
Consumer goods – 17.5% (25.5%)			
Automobiles & parts – 7.9%			
Fuji Heavy Industries	105,000	1,775	2.2
Mazda Motor	981,000	2,915	3.6
Sumitomo Electric	171,700	1,659	2.1
Household goods – 2.8%			
Leopalace 21	230,600	743	0.9
Makita	10,900	349	0.4
Sanrio	54,900	1,237	1.5
Leisure goods – 4.4%			
DaiichiKosho	61,200	1,159	1.4
Sega Sammy	99,500	1,454	1.8
Shimano	17,700	959	1.2
Personal goods – 2.4%			
Pigeon	20,100	563	0.7
UNI Charm	41,000	1,368	1.7

Investment	Holding	Market value £'000	Total net assets %
Health care – 7.8% (9.1%)			
Health care equipment & services – 3.3%			
Asahi Intecc	80,200	1,981	2.5
Sysmex	20,100	679	0.8
Pharmaceuticals & biotechnology – 4.5%			
3D Matrix	17,700	537	0.7
Nippon Shinyaku	76,000	906	1.1
ONO Pharmaceutical	19,500	1,034	1.3
Peptidream	10,000	764	1.0
Sosei Group	13,700	326	0.4
Telecommunications – 6.3% (0.0%)			
Mobile telecommunications – 6.3%			
Hikari Tsushin	17,100	871	1.1
KDDI	31,100	1,049	1.3
Softbank	69,400	3,114	3.9
Technology – 4.9% (1.2%)			
Software & computer services – 4.9%			
CyberAgent	50,700	1,498	1.9
Digital Garage	99,100	1,623	2.0
Yahoo Japan	236,900	821	1.0
Forward currency contracts C-Class Accumulation GBP Hedged shares – 0.0% (0.0%)			
Japanese Yen			
Buy ¥4,384,073 sell £25,807 dated 18/02/14		-	-
Sell ¥31,908,535 buy £186,891 dated 18/02/14		(3)	-
Investment assets (including investment liabilities)		80,268	100.0
Net other liabilities		(37)	0.0
Net assets		80,231	100.0

Unless otherwise stated the above securities are admitted to official stock exchange listings or trade on a regulated market.

The comparative percentage figures in brackets are at 31 January 2013.

Counterparty exposure

Counterparty	Forward currency contracts £'000	Total £'000
ANZ	(3)	(3)
Barclays	(14)	(14)
CitiBank	(1)	(1)
Credit Suisse	14	14
Goldman Sachs	0	0
UBS	0	0
Westpac Banking Corp	0	0

At the balance sheet date, there was no collateral received by the fund from the above counterparties.

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.

Portfolio movements

For the year ending 31 January 2014

	£'000		£'000
Total of all purchases for the year (Note 10)	60,571	Total of all sales for the year (Note 10)	63,244
Major purchases	Cost	Major sales	Proceeds
Softbank	2,681	Isuzu Motors	2,385
Mazda Motor	2,406	Hitachi	2,306
Nippon Sheet Glass	1,952	ORIX	2,056
Sumitomo Mitsui Trust	1,775	Tokio Marine	1,816
Sega Sammy	1,672	Hulic	1,729
Fuji Media	1,526	Taiheiyo Cement	1,698
ONO Pharmaceutical	1,407	Honda Motor	1,694
Fuji Heavy Industries	1,403	Mizuho Financial Group	1,669
Credit Saison	1,389	Jin	1,594
Digital Garage	1,369	Itochu	1,537
Astellas Pharma	1,303	Sumitomo Mitsui Trust	1,498
Keyence	1,217	Japan Tobacco	1,460
Daikin Industries	1,154	Mitsubishi Electric	1,414
Yumeshin	1,140	Tokyo Tatemono	1,413
Tokai Tokyo Financial	1,082	Nissan Motor	1,373
CyberAgent	1,069	Makita	1,352
CookPad	1,062	Shinsei Bank	1,288
Monotaro	1,055	Obayashi	1,251
Peptidream	1,037	Enplas	1,238
Sanrio	1,028	Astellas Pharma	1,177

Financial statements

Statement of total return

For the year ending 31 January

	£'000	2014 £'000	£'000	2013 £'000
Income				
Net capital gains (Note 1)		17,949		954
Revenue (Note 2)	999		1,436	
Expenses (Note 3)	(1,327)		(1,109)	
Net (expenses)/revenue before taxation	(328)		327	
Taxation (Note 4)	(77)		(101)	
Net (expenses)/revenue after taxation		(405)		226
Total return before distributions		17,544		1,180
Finance costs: Distributions (Note 5)		21		(228)
Change in net assets attributable to shareholders from investment activities		17,565		952

Statement of change in net assets attributable to shareholders

For the year ending 31 January

	£'000	2014 £'000	£'000	2013 £'000
Opening net assets attributable to shareholders		65,216		75,745
Amounts receivable on issue of shares	51,660		7,567	
Amounts payable on cancellation of shares	(54,216)		(19,231)	
		(2,556)		(11,664)
Change in net assets attributable to shareholders from investment activities (see above)		17,565		952
Retained distributions on accumulation shares		6		183
Closing net assets attributable to shareholders		80,231		65,216

Balance sheet

As at 31 January

	£'000	2014 £'000	£'000	2013 £'000
ASSETS				
Investment assets		80,271		65,082
Debtors (Note 7)	2,829		1,372	
Cash and bank balances (Note 8)	90		355	
Total other assets		2,919		1,727
Total assets		83,190		66,809
LIABILITIES				
Investment liabilities		(3)		-
Creditors (Note 9)	(2,955)		(1,592)	
Distribution payable on income shares	(1)		(1)	
Total other liabilities		(2,956)		(1,593)
Total liabilities		(2,959)		(1,593)
Net assets attributable to shareholders		80,231		65,216

The notes to these financial statements are shown on pages 199 to 200.

Notes to the financial statements for the year ending 31 January 2014

1. Net capital gains

	2014	2013
	£'000	£'000
Currency gains/(losses)	31	(42)
Forward currency contracts	57	-
Non-derivative securities	17,861	996
Net capital gains	<u>17,949</u>	<u>954</u>

2. Revenue

	2014	2013
	£'000	£'000
Income from overseas equity investments	997	1,435
Interest on bank and term deposits	2	1
Total revenue	<u>999</u>	<u>1,436</u>

3. Expenses

	2014	2013
	£'000	£'000
Payable to the ACD or associate of the ACD:		
ACD fee	1,182	990
Fixed expenses	145	119
Total expenses	<u>1,327</u>	<u>1,109</u>

4. Taxation

	2014	2013
	£'000	£'000
a) Analysis of charge in the year		
Overseas tax suffered	77	101
Current year tax charge (Note 4b)	<u>77</u>	<u>101</u>

b) Factors affecting the tax charge for the year

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

Net (expenses)/revenue before taxation	(328)	327
Corporation tax at 20%	<u>(66)</u>	<u>65</u>

Effects of:

Dividends not subject to corporation tax	(195)	(280)
Excess expenses for which no relief taken	261	215
Overseas tax suffered	77	101
	<u>143</u>	<u>36</u>
Current year tax charge (Note 4a)	<u>77</u>	<u>101</u>

No deferred tax asset has been recognised in the financial statements. At the year end date, the Fund had a potential unrecognised deferred tax asset of £8,655,844 (31.01.13: £8,395,205) in relation to £43,279,219 (31.01.13: £41,976,027) 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.

5. Finance costs

Distributions

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

	2014	2013
	£'000	£'000
Final dividend distribution	7	184
Add: Amounts payable on cancellation of shares	(55)	62
Deduct: Amounts receivable on issue of shares	27	(18)
Total finance costs	<u>(21)</u>	<u>228</u>

Details of the distribution per share are set out on page 201.

6. Movement between net (expenses)/revenue after taxation and distributions

	2014	2013
	£'000	£'000
Net (expenses)/revenue after taxation	(405)	226
Add: Net expense payable from capital	383	-
Add: Undistributed revenue brought forward	-	2
Equalisation on conversions	1	-
	<u>(21)</u>	<u>228</u>

7. Debtors

	2014	2013
	£'000	£'000
Accrued income	42	38
Due from the ACD for shares created	1,100	19
Sales awaiting settlement	1,687	1,315
Total debtors	<u>2,829</u>	<u>1,372</u>

8. Cash and bank balances

	2014	2013
	£'000	£'000
Cash and bank balances	<u>90</u>	<u>355</u>

9. Creditors

	2014	2013
	£'000	£'000
Accrued expenses	117	90
Due to the ACD for shares cancelled	2,513	1,303
Purchases awaiting settlement	325	199
Total creditors	<u>2,955</u>	<u>1,592</u>

Notes to the financial statements – continued

10. Portfolio transaction costs

	2014 £'000	2013 £'000
Analysis of total purchase costs		
Purchases in year before transaction costs	60,530	124,103
Commissions	41	57
Total purchase costs	41	57
Gross purchases total	60,571	124,160
Analysis of total sale costs		
Gross sales before transaction costs	63,276	135,473
Commissions	(32)	(69)
Total sale costs	(32)	(69)
Total sales net of transaction costs	63,244	135,404

11. 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 £1,529,528 (31.01.13: £1,374,161). Details of related party transactions are given under note 13 on page 413.

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 £4,078 (31.01.13: £15,934). Commission was paid to the associated company JPMorgan Securities Ltd.

12. 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.

Currency	Net foreign currency assets		
	Total £'000	Monetary exposures £'000	Non-monetary exposures £'000
31.01.14			
Japanese Yen	81,761	1,490	80,271
31.01.13			
Japanese Yen	65,304	222	65,082

Interest rate risk

At the year end date, 0.1% (31.01.13: 0.5%) of the Fund's net assets by value were interest bearing, carrying a (fixed/floating) rate.

For consideration of other risks including liquidity, pricing and credit risk, please refer to the notes to the aggregated financial statements, pages 413 to 414.

13. 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 fixed expenses charge are shown below.

	ACD fee	Fixed expenses
Class A shares:	1.50%	0.18%
Class B shares:	1.00%	0.18%
Class C shares:	0.75%	0.18%

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 195. All classes have the same rights on winding up.

14. Derivatives

The Fund enters into derivative transactions in the form of forward currency contracts for the purpose of efficient portfolio management. The positive mark to market approach has been used to calculate the global exposure.

Further information on the derivative risks can be found in the notes to the aggregated financial statements on page 414.

15. Contingent liabilities and capital commitments

At the balance sheet date there were no contingent liabilities or capital commitments (2013: none).

Distribution table

Final distribution in pence per share

Group 1 – Shares purchased prior to 1 February 2013

Group 2 – Shares purchased 1 February 2013 to 31 January 2014

	Gross revenue	Tax at 10%	Net revenue	Equalisation	Distribution payable 30.04.14	Distribution paid 30.04.13
A-Class Accumulation Shares						
Group 1	0.000000	0.000000	0.000000	-	0.000000	0.490000
Group 2	0.000000	0.000000	0.000000	0.000000	0.000000	0.490000
A-Class Income Shares						
Group 1	0.000000	0.000000	0.000000	-	0.000000	0.100000
Group 2	0.000000	0.000000	0.000000	0.000000	0.000000	0.100000
B-Class Accumulation Shares						
Group 1	0.000000	0.000000	0.000000	-	0.000000	0.730000
Group 2	0.000000	0.000000	0.000000	0.000000	0.000000	0.730000
C-Class Accumulation Shares						
Group 1	0.266667	0.026667	0.240000	-	0.240000	1.010000
Group 2	0.000000	0.000000	0.000000	0.240000	0.240000	1.010000
C-Class Accumulation GBP Hedged Shares^f						
Group 1	0.000000	0.000000	0.000000	-	0.000000	-
Group 2	0.000000	0.000000	0.000000	0.000000	0.000000	-
C-Class Income Shares						
Group 1	0.222222	0.022222	0.200000	-	0.200000	0.640000
Group 2	0.000000	0.000000	0.000000	0.200000	0.200000	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.

^f C-Class Accumulation GBP Hedged share were launched on 29 July 2013.

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.**

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.

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

The Fund'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.

Fund review

In the 12-month period, global equities delivered double-digit returns as economic data improved, particularly in the US and Europe. The Federal Reserve's tapering of its asset purchases contributed to negative performance for bond markets and the underperformance of emerging vs. developed equity markets.

The Fund delivered a positive return, distributing an IMA yield of 4% as at 31 January 2014. We remain positive on global growth, expressed by our high allocation to developed market equities. We do, however, remain well diversified across geography and asset class, with equity volatility in January acting as a reminder of this need. Our emerging market equity exposure remains defensive. High yield remains near lows but continues to play a significant part in the strategy. Yields remain attractive relative to the risk of default. Specific sleeves for European fixed income and equities have been added, bringing an attractive yield and the benefits of diversification.

Fund outlook

Our conviction in markets has lowered slightly and we expect increased volatility this year. Our concerns centre around the cyclical challenges in emerging economies and the resilience of the global economy in the face of rising rates. However, we retain a positive outlook for risk assets.

12 month performance to 31 January

	2014	2013	2012	2011
JPM Multi-Asset Income A-Class Acc	4.8%	14.4%	-0.7%	12.5%
JPM Multi-Asset Income B-Class Inc	5.2%	-	-	-
JPM Multi-Asset Income C-Class Inc	5.3%	-	-	-
JPM Multi-Asset Income X-Class Inc	6.0%	15.6%	0.4%	-
Benchmark Index^a	10.1%	13.5%	2.2%	15.0%

Fund statistics

Risk and Reward Profile	5*
Fund size	£276.2m
Benchmark Index ^b	40% MSCI World Index (Net) - hedged to GBP, 30% Barclays US High Yield 2% Issuer Cap Index (Gross) - hedged to GBP, 30% Barclays Global Credit Index - hedged to GBP
Fund charges	
A-Class	Initial 3.00%, Annual 1.25%
B-Class	Initial Nil, Annual 0.80%
C-Class	Initial Nil, Annual 0.65%
X-Class	On application ^c

Top ten holdings

	%
Vodafone Group	1.1
Microsoft	1.1
Royal Dutch Shell 'A'	1.0
Swiss Re	0.9
ConocoPhillips	0.8
Seven & I	0.8
ENI	0.8
Time Warner	0.7
Unibail-Rodamco	0.7
Toyota Motor	0.7

Sector breakdown

	%
Equities	50.9
Corporate bonds	37.4
Government bonds	5.5
Convertible bonds	3.2
Forward currency contracts	0.4
Futures	0.0
Net other assets	2.6

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.

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

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

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

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

Blended benchmarks have been calculated by JPMAM.

Source: J.P. Morgan.

^a On 01/04/10 part of the element of the composite benchmark for the Fund changed from 10% Global Property Research 250 (Net) hedged into GBP to 10% FTSE EPRA/NAREIT Developed Index (Net) hedged into GBP. On 01/03/11 the composite benchmark changed from 10% JPM GBI - Emerging Markets Global Index in GBP, 45% BofA Merrill Lynch High Yield BB-B Constrained Index hedged to GBP, 10% FTSE EPRA/NAREIT Developed Index hedged to GBP, 25% MSCI World Index hedged to GBP, 10% BofA Merrill Lynch Sterling Broad Market Index in GBP to 40% MSCI World Index (Net) - hedged to GBP, 30% Barclays U.S. High Yield 2% Issuer Cap Index (Gross) - hedged to GBP, 30% Barclays Global Credit Index - hedged to GBP.

^b As agreed from time to time 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.

Highest/lowest share price and distribution record

Calendar year	Highest share price	Lowest share price	Distribution per share (net)
A-Class Accumulation Shares^c			
2009	59.42p	50.24p	0.94p
2010	65.78p	58.35p	3.36p
2011	68.50p	59.77p	3.51p
2012	73.31p	64.25p	3.29p
2013	80.84p	73.60p	3.11p
2014 ^d	80.82p	79.08p	0.64p
A-Class Income Shares^c			
2009	58.42p	50.24p	0.94p
2010	61.36p	55.91p	3.23p
2011	62.75p	53.50p	3.18p
2012	61.65p	56.69p	2.85p
2013	66.61p	61.43p	2.57p
2014 ^d	65.30p	63.90p	0.52p
B-Class Accumulation Shares^e			
2013	80.98p	74.70p	3.11p
2014 ^d	81.15p	79.42p	0.64p
B-Class Income Shares^f			
2012	61.68p	59.58p	0.72p
2013	66.74p	61.56p	2.57p
2014 ^d	65.59p	64.18p	0.52p
C-Class Accumulation Shares^g			
2012	107.8p	96.58p	2.67p
2013	119.1p	108.2p	4.58p
2014 ^d	119.5p	116.9p	0.95p
C-Class Income Shares^h			
2012	105.7p	97.20p	2.75p
2013	114.4p	105.5p	4.42p
2014 ^d	112.5p	110.1p	0.90p
X-Class Accumulation Sharesⁱ			
2013	107.6p	99.27p	3.33p
2014 ^d	108.3p	106.1p	0.89p
X-Class Income Shares^j			
2010	110.3p	100.0p	1.53p
2011	113.4p	97.09p	5.90p
2012	113.3p	103.1p	5.33p
2013	122.8p	113.4p	4.86p
2014 ^d	121.2p	118.7p	0.99p

^c A-Class Accumulation Shares and A-Class Income Shares were launched on 30 June 2009.

^d To 31 January 2014.

^e B-Class Accumulation Shares were launched on 28 January 2013.

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

^g C-Class Accumulation Shares were launched on 1 May 2012.

^h C-Class Income Shares were launched on 25 April 2012.

ⁱ X-Class Accumulation Shares were launched on 29 January 2013.

^j X-Class Income Shares were launched on 7 July 2010.

Portfolio turnover rate

31.01.13	78.1%
31.01.14	91.9%

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

Portfolio transaction costs

	Broker Commissions	Transaction Taxes	Total
31.01.13	0.05%	0.03%	0.08%
31.01.14	0.07%	0.06%	0.13%

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

Stamp duty reserve tax

31.01.13	0.00%
31.01.14	0.00%

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

Net asset values and Ongoing charges

Date	Net asset value per share class £'000	Number of shares	Net asset value per share	Ongoing charges
A-Class Accumulation Shares				
31.01.12	23,278	35,379,772	65.79p	1.43%
31.01.13	47,184	62,662,824	75.30p	1.43%
31.01.14	57,256	72,575,034	78.89p	1.43%
A-Class Income Shares				
31.01.12	13,415	23,346,692	57.46p	1.43%
31.01.13	27,280	43,473,746	62.75p	1.43%
31.01.14	32,490	51,389,749	63.22p	1.43%
B-Class Accumulation Shares				
31.01.13	17	21,971	75.30p	0.98%
31.01.14	1,163	1,468,220	79.22p	0.98%
B-Class Income Shares				
31.01.13	75	119,776	62.81p	0.98%
31.01.14	2,448	3,854,874	63.51p	0.98%
C-Class Accumulation Shares				
31.01.13	823	742,814	110.8p	0.83%
31.01.14	26,658	22,852,714	116.7p	0.83%
C-Class Income Shares				
31.01.13	3,110	2,889,495	107.6p	0.83%
31.01.14	24,729	22,697,688	109.0p	0.83%
X-Class Accumulation Shares				
31.01.13	18,640	18,664,290	99.87p	0.06%
31.01.14	115,264	108,947,920	105.8p	0.06%
X-Class Income Shares				
31.01.12	14,047	13,429,180	104.6p	0.06%
31.01.13	20,544	17,803,989	115.4p	0.06%
31.01.14	16,195	13,792,632	117.4p	0.06%

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

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

Portfolio statement

As at 31 January 2014

Investment	Holding	Market value £'000	Total net assets %	Investment	Holding	Market value £'000	Total net assets %
Equities – 50.9% (42.8%)							
United States of America – 16.8%							
Accenture 'A'	20,021	982	0.4	Stanley Black & Decker	1,437	89	-
Applied Materials	154,097	1,571	0.6	State Street Preference 'C'	23,200	312	0.1
AvalonBay Communities	2,600	193	0.1	Time Warner	50,981	1,966	0.7
Aviv REIT	4,783	71	-	United Technologies	14,158	987	0.4
Bank of America Corp Convertible 7.25% Preference	347	235	0.1	United Technologies (Units)	2,740	108	0.1
Bank of New York Mellon Preference	25,200	328	0.1	US Bancorp Delaware	48,338	1,178	0.4
BB&T Preference 'E'	2,200	29	-	US Bancorp Delaware Perpetual 'H' Preference	15,000	191	0.1
BB&T Preference 'F'	22,000	269	0.1	US Concrete	1,546	21	-
BB&T Preference 'G'	2,000	24	-	Ventas	4,703	177	0.1
Biomed Realty Trust	12,400	146	0.1	Verizon Communications	40,716	1,178	0.4
Boston Properties	2,000	131	0.1	Vornado Realty Trust	2,100	117	0.1
Boston Properties Preference	4,000	49	-	Vornado Realty Trust 'G' Preference	5,100	76	-
Brandywine Realty Trust	19,100	165	0.1	Wells Fargo	54,389	1,521	0.6
Bristol-Myers Squibb	52,556	1,612	0.6	Wells Fargo 'A' Perpetual Convertible Preference	459	322	0.1
Chesapeake Energy 5.75% Convertible Preference	35	25	-	Weyerhaeuser 6.375% Convertible Preference	2016	3,392	113
Cisco Systems	125,981	1,682	0.6	XL Group Preference 'D'	160	82	-
CME Group 'A'	30,575	1,380	0.5	United Kingdom – 6.2%			
Cobank Non Cumulative Preference 'D'	700	22	-	Aberdeen Asset Management	15,976	62	-
ConocoPhillips	53,355	2,131	0.8	Admiral Group	6,263	89	-
Constar International 'A'	450	-	-	Amec	8,174	84	-
Constar International Preference 'A'	45	-	-	AstraZeneca	45,274	1,736	0.6
CubeSmart	5,500	55	-	Aviva	220,306	973	0.4
DCT Industrial Trust	44,500	192	0.1	BAE Systems	23,470	100	-
Digital Realty Trust	2,400	73	-	BHP Billiton	7,802	139	0.1
Dominion Resources Virginia Preference 'A' Unit	770	26	-	BP	47,975	227	0.1
Dominion Resources Virginia Preference 'B' Unit	2,260	76	-	British Land	91,262	598	0.2
Dow Chemical	43,555	1,199	0.4	British Sky Broadcasting Group	129,173	1,106	0.4
Duke Realty	12,600	118	0.1	Direct Line Insurance Group	352,276	926	0.3
Dynergy Delaware	500	6	-	Enscor 'A'	22,326	687	0.3
Education Realty Trust	19,300	105	0.1	GlaxoSmithKline	99,436	1,545	0.6
Equity One	8,500	117	0.1	Hammerson	82,535	431	0.2
Extra Space Storage	2,700	74	-	Helical Bar	63,853	226	0.1
ExxonMobil	17,194	982	0.4	HSBC	185,589	1,149	0.4
Freeport-McMoRan Copper & Gold	49,864	982	0.4	ICAP	15,633	61	-
General Growth Properties	8,500	103	-	IMI	2,722	40	-
General Maritime	16	-	-	ITV	23,634	46	-
General Maritime Warrants 2017 (US\$1.00)	26	-	-	Legal & General Group	44,900	96	-
GMAC Capital Trust Preference 2040	4,175	70	-	Lloyds Banking Group	143,186	117	0.1
Goldman Sachs Group FRN Preference 'I' Perpetual	23,000	311	0.1	Marks & Spencer Group	8,783	41	-
Goldman Sachs Group Preference	25,000	351	0.1	National Grid	14,150	111	0.1
Health Care Property Investors	9,339	221	0.1	Next	858	53	-
Health Care REIT	1,110	39	-	Old Mutual	50,136	85	-
Health Care REIT 6.5% Convertible Preference 2018 'I'	2,150	70	-	Pearson	62,276	683	0.3
Healthcare Realty Trust	7,900	109	0.1	Persimmon	91,347	1,167	0.4
Highwoods Properties	7,400	166	0.1	Resolution	24,734	86	-
Home Depot	31,511	1,473	0.5	Rio Tinto	4,200	135	0.1
Hospitality Properties	3,683	58	-	Royal Dutch Shell 'B'	14,082	316	0.1
iStar Financial 4.5% Convertible 'J' Preference	1,237	49	-	Safestore	229,576	437	0.2
Johnson & Johnson	31,212	1,697	0.6	Sainsbury (J)	23,906	82	-
Kilroy Realty	1,900	60	-	Segro	81,259	271	0.1
Kimco Realty	9,300	118	0.1	Standard Life	25,042	91	-
LaSalle Hotel Properties	9,500	176	0.1	TUI Travel	10,172	42	-
Liberty Property Trust	5,570	122	0.1	Vodafone Group	1,372,548	3,043	1.1
Lorillard	49,251	1,472	0.5	Japan – 3.4%			
Masco	76,159	982	0.4	GLP J-REIT	89	56	-
McDonald's	29,289	1,669	0.6	Japan Airlines	22,700	695	0.3
Merck & Co	45,302	1,473	0.5	Japan Logistics Fund REIT	60	81	-
Metlife	29,218	883	0.3	Japan Real Estate Investment Trust	44	138	0.1
Microsoft	131,496	2,945	1.1	Japan Retail Fund Investment REIT	32	39	-
Mid-American Apartment	3,100	120	0.1	Japan Tobacco	70,100	1,330	0.5
National Retail Properties	5,200	105	0.1	Kenedix Realty Investment	25	75	-
Neebo Warrants 2019 (USD 1.00)	134	-	-	Mitsubishi Estate	7,000	106	0.1
Neebo Warrants Jun 2019 (USD 1.00)	288	-	-	Mitsui Fudosan	12,000	234	0.1
Nextera Energy	23,265	1,286	0.5	Nippon Prologis REIT	26	159	0.1
Nextera Energy Equity Units	9,990	319	0.1	ORIX JREIT	157	127	0.1
Paccar	42,909	1,497	0.6	Seven & I	86,400	2,106	0.8
Pennsylvania REIT	3,600	41	-	Sumitomo Mitsui Financial Group	59,700	1,711	0.6
PPL	7,450	233	0.1	Toyota Motor	53,800	1,893	0.7
Prologis	7,000	165	0.1	United Urban Investment REIT	74	67	-
Realty Income	6,100	151	0.1	France – 3.1%			
Regency Centers	3,800	111	0.1	AXA	78,359	1,241	0.5
RM Holdings#	50,000	-	-	BNP Paribas	28,151	1,312	0.5
SCE Preference	11,400	136	0.1	Bouygues	3,550	82	-
Select Income REIT	3,300	55	-	Casino Guichard-Perrachon	814	51	-
Sempra Energy	23,664	1,315	0.5	CNP Assurances	6,572	79	-
Simon Property Group	1,894	176	0.1	EDF	44,140	907	0.3
				Fonciere des Regions	1,606	80	-
				GDF Suez	7,860	105	0.1
				Gecina	654	49	-
				ICADE	4,320	231	0.1

Portfolio statement – continued

As at 31 January 2014

Investment	Holding	Market value		Total net assets %	Investment	Holding	Market value		Total net assets %
		£'000					£'000		
Klepierre	1,406	37	-		Canada – 1.1%				
Lagardere Group	3,779	80	-		Allied Properties Real Estate Investment Trust	14,300	250	0.1	
Orange	13,195	98	-		Artis Real Estate Investment Units	23,787	195	0.1	
Rexel	3,605	56	-		Bank of Montreal	44,369	1,668	0.6	
Schneider Electric	15,915	771	0.3		Canadian Real Estate Investment Trust	4,700	107	0.1	
SCOR	4,057	80	-		First Capital Realty	14,756	139	0.1	
Suez Environment	7,503	81	-		Riocan Real Estate Trust	17,906	242	0.1	
TOTAL S.A.	5,811	200	0.1		China – 1.0%				
Unibail-Rodamco	13,236	1,925	0.7		Bank of China 'H'	1,257,000	324	0.1	
Veolia Environnement	8,589	83	-		China Construction Bank 'H'	705,000	297	0.1	
Vinci	26,931	1,061	0.4		China Mobile	53,000	307	0.1	
Vivendi	7,045	114	0.1		China Shenhua Energy 'H'	673,000	1,053	0.4	
Switzerland – 2.1%					Industrial & Commercial Bank of China 'H'	781,000	294	0.1	
Banque Cantonale Vaudoise	107	35	-		Jiangsu Expressway 'H'	150,000	115	0.1	
Cembra Money Bank	2,005	78	-		MGM China	102,400	246	0.1	
Givaudan	31	28	-		Zhejiang Expressway 'H'	186,000	102	-	
Novartis	31,091	1,492	0.5		Brazil – 0.9%				
Roche (Genusscheine)	10,739	1,776	0.7		AES Tiete	14,301	60	-	
Swiss Re	46,968	2,465	0.9		Ambev ADR	266,134	1,061	0.4	
Swisscom	142	47	-		Banco Bradesco Preference	28,228	181	0.1	
Transocean	1,636	43	-		Banco do Brasil	63,954	322	0.1	
Germany – 1.9%					Cia Energetica Minas Gerais-Cemig ADR Preference	1	-	-	
Alstria Office Real Estate Investment Trust	17,279	137	0.1		Cielo	21,396	340	0.1	
Axel Springer	1,020	39	-		Companhia de Concessoes Rodoviaras	26,700	103	-	
BASF	26,288	1,701	0.6		Embraer ADR	14,336	269	0.1	
Daimler	30,431	1,522	0.6		Tractebel Energia	30,404	257	0.1	
Deutsche Telekom	158,915	1,561	0.6		Singapore – 0.9%				
Hannover Rueckversicherungs	1,664	81	-		Ascendas REIT	83,000	84	-	
MunichRe	690	86	-		Ascott Residence REIT	100,804	57	-	
ProsiebenSat.1 Media	3,112	83	-		CapitaCommercial Trust Units	169,000	113	0.1	
Australia – 1.8%					CapitaLand	91,000	119	0.1	
Australia & New Zealand Bank Group	57,828	922	0.3		CapitaMalls Asia	72,000	60	-	
Dexus Property Group Stapled Units	598,352	315	0.1		Global Logistic Properties	107,000	142	0.1	
Goodman Group Stapled Units	569,463	1,407	0.5		Hutchison Port	591,000	239	0.1	
Mirvac Group Stapled Units	352,061	310	0.1		Keppel REIT	17,000	9	-	
Transurban Group	400,821	1,463	0.5		Singapore Telecommunications	876,000	1,461	0.5	
Westfield Group Stapled Units	122,756	662	0.2		Italy – 0.8%				
Westfield Retail Trust Units	132,431	212	0.1		Atlantia	4,075	57	-	
Sweden – 1.4%					ENI	151,309	2,076	0.8	
Electrolux 'B'	64,068	831	0.3		SNAM	27,333	91	-	
Ericsson 'B'	178,483	1,339	0.5		TERNA	19,118	56	-	
Hennes & Mauritz 'B'	2,358	61	-		South Africa – 0.8%				
Investor 'B'	2,280	45	-		AVI	48,210	132	0.1	
Nordea Bank	14,492	117	0.1		Barclays Africa group	36,307	247	0.1	
Sandvik	8,147	68	-		Bidvest Group	22,189	292	0.1	
Securitas 'B'	12,361	77	-		Foschini Group	41,467	207	0.1	
Skandinaviska Enskilda Banken 'A'	9,812	76	-		Imperial	30,050	298	0.1	
Skanska 'B'	5,172	62	-		MTN Group	25,270	265	0.1	
Svenska Handelsbanken 'A'	2,810	81	-		Sasol	9,455	269	0.1	
Swedbank 'A'	90,286	1,423	0.5		Tiger Brands	12,059	172	0.1	
TeliaSonera	20,022	90	-		Denmark – 0.6%				
Hong Kong – 1.3%					TDC	269,218	1,523	0.6	
Dah Chong Hong	63,000	23	-		Tryg	1,434	83	-	
Hang Seng Bank	25,600	244	0.1		South Korea – 0.6%				
Hutchison Whampoa	109,000	821	0.3		Kangwon Land	13,450	255	0.1	
Link Real Estate Investment Trust	92,500	254	0.1		KT&G	6,804	289	0.1	
New World Development	74,000	56	-		SK Telecom ADR	61,246	814	0.3	
SJM	165,000	312	0.1		S-Oil	4,959	191	0.1	
Vtech	21,400	157	0.1		Russia – 0.6%				
Wharf	33,000	137	0.1		Lukoil ADR	8,954	307	0.1	
Wynn Macau	512,800	1,324	0.5		MMC Norilsk Nickel ADR	26,431	247	0.1	
Taiwan – 1.3%					Mobile Telesystems ADR	22,174	232	0.1	
Asustek Computer	22,000	124	0.1		Phosagro GDR	23,389	144	0.1	
Delta Electronics	126,000	419	0.2		Sberbank ADR	64,218	421	0.2	
Far Eastone Telecommunications	102,000	122	0.1		Finland – 0.5%				
Novatek Microelectronics	98,000	237	0.1		Elisa	5,204	80	-	
President Chain Store	62,000	252	0.1		Fortum	6,683	88	-	
Quanta Computer	246,000	369	0.1		Nokian Renkaat	1,860	48	-	
Radiant Opto-Electronics	81,000	214	0.1		Pohjola Bank 'A'	4,951	59	-	
Siliconware Precision Industries	834,000	619	0.2		Sampo 'A'	2,557	72	-	
Simplo Technology	32,000	89	-		Stora Enso 'R'	10,015	57	-	
Taiwan Mobile	145,000	257	0.1		Technopolis	59,048	223	0.1	
Taiwan Semiconductor Manufacturing ADS	30,104	313	0.1		UPM-Kymmene	105,065	976	0.4	
Tripod Technology	111,000	122	0.1		Turkey – 0.4%				
Netherlands – 1.1%					Arcelik	44,823	133	0.1	
Ahold	6,240	63	-		Ford Otomotiv San	9,251	48	-	
Delta Lloyd	5,367	84	-		TOFAS	59,356	166	0.1	
Philips	2,451	51	-		Turk Telekomunikasyon	95,762	143	0.1	
Royal Dutch Shell 'A'	122,555	2,601	1.0		Turkiye Petrol Rafinerileri	24,306	238	0.1	
VastNed Retail	6,712	194	0.1						
Wereldhave	1,510	70	-						

Portfolio statement – continued

As at 31 January 2014

Investment	Holding	Market value £'000	Total net assets %	Investment	Holding	Market value £'000	Total net assets %
Saudi Arabia – 0.4%				ACI Worldwide 6.375% 2020			
Al Rajhi Bank ELN 2015 (Credit Suisse)	9,700	112	0.1	Activision Blizzard 5.625% 2021	\$20,000	13	-
Etihad Etisalat ELN 2016 (JPMorgan)	17,712	251	0.1	Activision Blizzard 6.125% 2023	\$25,000	16	-
Yanbu National Petrochemical Company ELN 2015 (Credit Suisse)	9,800	116	0.1	Actuant 5.625% 2022	\$85,000	54	-
Yanbu National Petrochemical Company Warrants 2016 (Merrill Lynch)	9,630	114	0.1	Adjustable Rate Mortgage Trust 2004-2 6-A-1 FRN 2035	\$10,000	6	-
Belgium – 0.3%				Adjustable Rate Mortgage Trust 2004-4 4-A-1 FRN 2035	\$467,557	284	0.1
Belgacom	3,146	55	-	ADT 3.5% 2022	\$472,338	288	0.1
GBL	1,150	63	-	ADT 4.125% 2023	\$143,000	75	-
Solvay	10,547	896	0.3	ADT 6.25% 2021	\$125,000	67	-
Warehouses de Pauw	2,055	89	-	Advanced Micro Devices 7.5% 2022	\$175,000	112	0.1
Norway – 0.3%				Advanced Micro Devices 7.75% 2020	\$24,000	14	-
Gjensidige Forsikring	6,922	80	-	Aegis Asset Backed Securities Trust Services FRN 2034	\$25,000	15	-
Seadrill	3,072	66	-	AES 4.875% 2023	\$570,165	309	0.1
Statoil	5,350	77	-	AES 7.375% 2021	\$50,000	28	-
Telenor	63,762	799	0.3	AES 8% 2017	\$100,000	67	-
Yara International	2,448	61	-	AES 8% 2020	\$10,000	7	-
Indonesia – 0.3%				AES 8% 2020	\$150,000	105	0.1
Indo Tambangraya Megah	88,000	116	0.1	Ainsworth Lumber 7.5% 2017	\$9,000	6	-
Perusahaan Gas Negara	686,100	162	0.1	Aircastle 4.625% 2018	\$8,000	5	-
Telekomunikasi Indonesia 'B'	2,629,000	296	0.1	Aircastle 6.75% 2017	\$200,000	136	0.1
Spain – 0.2%				Aircastle 7.625% 2020	\$45,000	31	-
Abertis Infraestructuras	4,706	63	-	Aircastle 9.75% 2018	\$35,000	23	-
ACS Actividades de Construccion y Servicios	2,760	59	-	AK STEEL 8.75% 2018	\$55,000	38	-
ACS Actividades de Construccion y Servicios Rights 2014	2,760	1	-	Albertsons 7.45% 2029	\$139,000	68	-
Ferrovial	4,872	57	-	Albertsons 8% 2031	\$38,000	19	-
Gas Natural	4,199	63	-	Albertsons 8.7% 2030	\$40,000	21	-
Iberdrola	28,102	105	0.1	Alcatel-Lucent USA 8.875% 2020	\$400,000	271	0.1
Iberdrola (Rfd)	698	3	-	Alerie 6.5% 2020	\$12,000	7	-
Mapfre	22,084	55	-	Aleris International 7.625% SNR 2018	\$31,000	20	-
Red Electrica Corporacion	1,997	85	-	Aleris International 7.875% 2020	\$40,000	26	-
Repsol	4,818	69	-	Alfa Bond Issuance 7.75% 2021	\$200,000	131	0.1
Telefonica	11,357	106	0.1	Alliant Techsystems 5.25% 2021	\$31,000	19	-
Thailand – 0.2%				Alliant Techsystems 6.875% 2020	\$15,000	10	-
Advanced Info Service Public (Alien Market)	82,100	314	0.1	Allison Transport 7.125% 2019	\$125,000	82	-
Bangkok Expressway (Alien Market)	61,000	36	-	Allstate FRN 2053	\$1,020,000	626	0.2
Siam Cement Non-Voting Depository Receipt	42,200	315	0.1	Ally Financial 4.625% 2015	\$30,000	19	-
India – 0.1%				Ally Financial 5.5% 2017	\$370,000	242	0.1
Ascendas India Trust Units	193,000	63	-	Ally Financial 6.25% 2017	\$465,000	314	0.1
Coal India	121,286	291	0.1	Ally Financial 7% Perpetual	\$147	86	-
Qatar – 0.1%				Ally Financial 7.5% 2020	\$530,000	379	0.1
Qatar Industries	10,215	306	0.1	Ally Financial 8% 2020	\$135,000	98	-
Poland – 0.1%				Ally Financial 8% 2031	\$261,000	191	0.1
Powszechny Zaklad Ubezpieczen	3,618	288	0.1	Alta Mesa Finance Services 9.625% 2018	\$24,000	16	-
Luxembourg – 0.1%				Alternative Loan Trust 5.25% 2035	\$45,103	27	-
ArcelorMittal 6% Convertible Preference 2013	12,196	183	0.1	Alternative Loan Trust 5.5% 2035	\$417,725	246	0.1
RTL Group	760	56	-	Alternative Loan Trust 5.5% 2036	\$23,272	12	-
Mexico – 0.1%				Alternative Loan Trust 6% 2022	\$42,845	25	-
Kimberly-Clark de Mexico 'A'	144,406	215	0.1	Alternative Loan Trust 6% 2036	\$22,107	12	-
United Arab Emirates – 0.1%				AMC Entertainments 9.75% 2020	\$200,000	139	0.1
First Gulf Bank	45,600	151	0.1	American Axle & Manufacturing 7.75% 2019	\$100,000	69	-
Malaysia – 0.0%				American Express 6.8% 2066	\$310,000	203	0.1
Lafarge Malaysia	60,700	93	-	American International Group 6.25% 2087	\$665,000	404	0.2
Austria – 0.0%				American International Group 8.175% 2058	\$172,000	130	0.1
Immofinanz	28,549	82	-	AmeriGas Financial 6.25% 2019	\$45,000	29	-
Portugal – 0.0%				AmeriGas Financial 6.25% 2020	\$10,000	7	-
Energias de Portugal	37,267	85	-	AmeriGas Financial 7% 2022	\$88,000	58	-
Corporate bonds – 37.4% (41.8%)				Ameritrust Mortgage FRN 2034	\$68,151	38	-
US Dollar – 37.2%				Ameritrust Securities FRN 2034 (CL'M-2')	\$33,580	18	-
ABFC Asset Backed Certificates FRN 2033	\$122,297	71	-	Ameritrust Securities FRN 2034	\$179,443	98	-
ABFC Asset Backed Certificates FRN Mar 2034	\$70,752	39	-	Ameristar Casinos 7.5% 2021	\$20,000	13	-
ABFC Asset Backed Certificates FRN Nov 2034	\$132,936	69	-	Amkor Technology 6.375% 2022	\$27,000	17	-
ABS Home Equity Loan FRN Sep 2031	\$153,587	87	-	Amkor Technology 6.625% 2021	\$120,000	76	-
ABS Home Equity Loan FRN Nov 2031	\$73,753	41	-	Amkor Technology 7.375% 2018	\$79,000	50	-
Acadia Healthcare 6.125% 2021	\$39,000	24	-	Amsurg 5.625% 2020	\$80,000	50	-
Accellent 8.375% 2017	\$125,000	80	-	Anixter 5.625% 2019	\$215,000	136	0.1
Access Midstream Partner 4.875% 2023	\$551,000	328	0.1	Antero Resources Finance 5.375% 2021	\$75,000	46	-
Access Midstream Partners 5.875% 2021	\$24,000	15	-	Antero Resources Finance 6% 2020	\$125,000	80	-
Access Midstream Partners 6.125% 2022	\$161,000	104	0.1	Aramark 5.75% 2020	\$68,000	43	-
ACCO Brands 6.75% 2020	\$210,000	127	0.1	ArcelorMittal 9.85% 2019	\$150,000	114	0.1
Accredited Mortgage Loan Trust FRN 2035	\$104,946	59	-	ArcelorMittal 4.5% 2017	\$50,000	32	-
Ace Cash Express 11% 2019	\$125,000	62	-	ArcelorMittal 6.75% 2022	\$485,000	318	0.1
ACE Securities FRN 2033	\$337,905	193	0.1	ArcelorMittal 7.5% 2039	\$36,000	22	-
ACE Securities Home Equity Asset Backed FRN 2034	\$66,765	37	-	Ardagh Packaging Finance 7.375% 2017	\$200,000	130	0.1
ACE Securities Home Equity Loan Trust FRN 2032	\$97,667	52	-	Ardagh Packaging Finance 9.125% 2020	\$450,000	299	0.1
				Ares Capital 4.75% Convertible 2018	\$113,000	74	-
				Ares Capital 4.875% Convertible 2017	\$136,000	88	-
				Argent Securities 0.789% FRN 2034	\$79,645	47	-
				Argent Securities FRN 2033	\$64,707	37	-
				Argent Securities FRN 2034 (HM6)	\$443,773	253	0.1
				Argent Securities FRN 2034 (M2)	\$150,964	84	-
				Argent Securities FRN 2034 (2004-W7 CL M2)	\$43,771	25	-

Portfolio statement – continued

As at 31 January 2014

Investment	Holding	Market value		Total net assets %	Investment	Holding	Market value		Total net assets %
		£'000					£'000		
Argent Securities FRN 2034	\$58,717	31	-	Brookfield Residential Properties 6.5% 2020	\$55,000	35	-		
Argent Securities FRN 2034 (US\$25,000)	\$86,488	47	-	Building Materials 6.75% 2021	\$156,000	102	-		
Artesyn Escrow 9.75% 2020	\$17,000	11	-	Building Materials 7.5% 2020	\$150,000	98	-		
A-S Co-Issuer 7.875% 2020	\$47,000	30	-	Bumble Bee Acquisition 9% 2017	\$369,000	245	0.1		
Ashland 3% 2016	\$28,000	17	-	Burger King 9.875% 2018	\$40,000	27	-		
Ashland 3.875% 2018	\$35,000	22	-	Cablevision Systems 8% 2020	\$265,000	181	0.1		
Ashland 4.75% 2022	\$423,000	246	0.1	Caesars Entertainment Operating 11.25% 2017	\$515,000	318	0.1		
Atkore International 9.875% 2018	\$45,000	29	-	Caesars Entertainment Operating 8% 2020	\$119,000	75	-		
Atlas Pipeline Finance 4.75% 2021	\$50,000	28	-	Caesars Entertainment Operating 8.5% 2020	\$535,000	310	0.1		
Atlas Pipeline Finance 5.875% 2023	\$40,000	23	-	Caesars Entertainment Operating 9% 2020	\$500,000	295	0.1		
Atlas Pipeline Finance 6.625% 2020	\$13,000	8	-	Calpine 5.875% 2024	\$84,000	51	-		
Audatex North America 6% 2021	\$345,000	219	0.1	Calpine 6% 2022	\$50,000	31	-		
Audatex North America 6.125% 2023	\$20,000	13	-	Calpine 7.875% 2020	\$160,000	106	0.1		
Autonation 5.5% 2020#	\$25,000	16	-	Calpine 8.875% 2023	\$386,000	259	0.1		
Avaya 10.5% 2021	\$41,000	23	-	Calumet Specialty Products 7.625% 2022	\$30,000	19	-		
Avaya 7% 2019	\$370,000	222	0.1	Calumet Specialty Products 9.375% 2019	\$28,000	19	-		
Avaya 9% 2019	\$65,000	41	-	Calumet Specialty Products 9.625% 2020	\$51,000	35	-		
Avis Budget Car Rental 5.5% 2023	\$216,000	127	0.1	Cantor Commercial Real Estate 7.75% 2018	\$25,000	16	-		
Avis Budget Car Rental 8.25% 2019	\$310,000	203	0.1	Capsugel 7% 2019	\$60,000	37	-		
Avis Budget Car Rental 9.75% 2020	\$62,000	44	-	Case New Holland 7.875% SNR 2017	\$175,000	125	0.1		
B&G Foods 4.625% 2021	\$50,000	29	-	Casella Waste Systems 7.75% 2019	\$80,000	50	-		
Ball 5% 2022	\$125,000	75	-	Catalent Pharma Solutions 7.875% 2018	\$142,000	88	-		
Banc of America Alternative Loan Trust 5.5% 2020	\$21,236	13	-	CB Richard Ellis Services 6.625% 2020	\$50,000	33	-		
Banc of America Alternative Loan Trust 6% 2021	\$36,363	22	-	CBS Outdoor Americas Capital 5.25% 2022	\$15,000	9	-		
Banc of America Alternative Loan Trust 6% 2035	\$65,848	40	-	CBS Outdoor Americas Capital 5.625% 2024	\$15,000	9	-		
Banc of America Alternative Loan Trust 6% May 2046	\$9,287	5	-	CCM Merger 9.125% 2019	\$25,000	16	-		
Banc of America Alternative Loan Trust 6% Jun 2046	\$25,620	13	-	CCO Holdings 5.25% 2021	\$194,000	114	0.1		
Banc of America Funding 2.6426% 2036	\$88,728	54	-	CCO Holdings 5.75% 2023	\$15,000	9	-		
Banc of America Funding 5.5% 2034	\$42,100	25	-	CCO Holdings 5.75% 2024	\$6,000	4	-		
Banc of America Funding 5.5% 2035	\$171,660	103	-	CCO Holdings 6.5% 2021	\$185,000	117	0.1		
Banc of America Funding 6% 2035	\$159,756	103	-	CCO Holdings 7% 2019	\$165,000	106	0.1		
Banc of America Mortgage Securities 5.5% 2035	\$12,162	7	-	CCO Holdings 7.375% 2020	\$200,000	132	0.1		
Banc of America Mortgage Trust 6% 2037	\$92,107	52	-	CCO Holdings 8.125% 2020	\$150,000	99	-		
Banco de Costa Rica 5.25% 2018	\$200,000	121	0.1	CDW Financial 8.5% 2019	\$275,000	184	0.1		
Banco de Reservas 7% 2023	\$180,000	102	-	Cedar Fair 5.25% 2021	\$93,000	56	-		
Bank of America 4.18% 2034	\$75,803	46	-	Celanese US 4.625% 2022	\$143,000	84	-		
Bank of America 5.2% Perpetual	\$1,630,000	887	0.3	Cemex 6.5% 2019	\$200,000	124	0.1		
Bank of America 5.5% 2020	\$14,607	9	-	Cemex 9% 2018	\$100,000	66	-		
Bank of America 5.875% 2021	\$55,000	38	-	Cemex Finance 9.375% 2022	\$400,000	273	0.1		
Bank of America 6.5% 2016	\$30,000	21	-	Cencosud 5.5% 2021	\$150,000	90	-		
Bank of America 7.8% 2016	\$25,000	18	-	Centex Home Equity Loan Trust 5.56% 2034	\$34,651	19	-		
Bank of America 8% FRN Perpetual	\$1,161,000	790	0.3	Centex Home Equity Loan Trust FRN Jan 2034	\$103,251	57	-		
Bank of America FRN Perpetual	\$265,000	179	0.1	Centex Home Equity Loan Trust FRN Sep 2034	\$68,570	30	-		
Bank of New York Mellon Perpetual	\$313,000	172	0.1	Centex Home Equity Loan Trust FRN 2035	\$70,000	40	-		
Bankrate 6.125% 2018	\$23,000	15	-	Central Garden & Pet 8.25% 2018	\$250,000	149	0.1		
Basic Energy Services 7.75% 2019	\$5,000	3	-	CenturyLink 5.8% 2022	\$500,000	300	0.1		
Basic Energy Services 7.75% 2022	\$92,000	59	-	CenturyLink 6.75% 2023	\$250,000	154	0.1		
BC Mountain 7% 2021	\$46,000	29	-	Cenveo 8.875% 2018	\$55,000	33	-		
B/E Aerospace 5.25% 2022	\$50,000	31	-	Ceridian 8.875% 2019	\$40,000	28	-		
B/E Aerospace 6.875% 2020	\$135,000	90	-	Ceridian HCM Holdings 11% 2021	\$28,000	19	-		
Bear Stearns ABS Trust FRN 2034	\$88,524	50	-	CEVA Group 8.375% 2017	\$75,000	48	-		
Bear Stearns ABS Trust FRN Aug 2035	\$455,814	256	0.1	Chase Funding Mortgage Loan 5.641% 2032	\$72,816	32	-		
Bear Stearns ABS Trust FRN Sep 2035	\$78,869	46	-	Chase Funding Mortgage Loan FRN May 2033	\$100,162	64	-		
Bear Stearns ABS Trust FRN Aug 2044	\$86,429	52	-	Chase Funding Mortgage Loan FRN Sep 2033	\$109,197	60	-		
Bear Stearns ABS Trust FRN Dec 2044	\$75,000	43	-	Chase Funding Mortgage Loan FRN 2034	\$93,628	49	-		
Belden 5.5% 2022	\$150,000	89	-	Chase Funding Mortgage Loan FRN 2035	\$168,591	95	-		
Berry Plastics 9.5% 2018	\$48,000	31	-	Chase Funding Trust FRN Jun 2034	\$156,219	90	-		
Berry Plastics 9.75% 2021	\$117,000	82	-	Chase Funding Trust FRN Jul 2034	\$136,367	78	-		
Beverage Packaging 5.625% 2016	\$55,000	34	-	Chase Mortgage Trust 6% 2036	\$346,822	178	0.1		
Beverage Packaging 6% 2017	\$10,000	6	-	Chase Mortgage Trust FRN 2037	\$1,251,675	764	0.3		
Bill Barrett 7% 2022	\$83,000	53	-	Chemtura Corporation 5.75% 2021	\$55,000	34	-		
Bill Barrett 7.625% 2019	\$52,000	34	-	Chesapeake Energy 3.25% 2016	\$12,000	7	-		
BI-LO Finance 8.625% 2018	\$22,000	14	-	Chesapeake Energy 5.375% 2021	\$24,000	15	-		
Biomet 6.5% Aug 2020	\$351,000	227	0.1	Chesapeake Energy 5.75% 2023	\$24,000	15	-		
Biomet 6.5% Oct 2020	\$100,000	63	-	Chesapeake Energy 6.125% 2021	\$72,000	47	-		
Blueline Rental 7% 2019	\$35,000	22	-	Chesapeake Energy 6.625% 2020	\$150,000	102	-		
Bluescope Steel 7.125% 2018	\$33,000	21	-	Chesapeake Energy 6.875% 2020	\$250,000	170	0.1		
Bluewater Holdings 10% 2019	\$100,000	61	-	Chesapeake Oilfield 6.625% 2019	\$45,000	29	-		
Boise Cascade 6.375% 2020	\$64,000	41	-	China Overseas IV 0% 2021	\$200,000	121	0.1		
Bombardier 4.25% 2016	\$32,000	20	-	Chinos Intermediate Holdings 7.75% 2019	\$33,000	21	-		
Bombardier 6.125% 2023	\$105,000	63	-	Chiquita Brands International 7.875% 2021	\$125,000	82	-		
Bombardier 7.75% 2020	\$325,000	218	0.1	CHL Mortgage Pass Through Trust 6% Apr 2036	\$25,236	15	-		
Bonanza Creek Energy 6.75% 2021	\$42,000	27	-	CHL Mortgage Pass Through Trust 6% May 2036	\$546,478	299	0.1		
Breitburn Energy Partners 7.875% 2022	\$100,000	65	-	CHL Mortgage Pass Through Trust 6% 2037	\$53,430	31	-		
Breitburn Energy Partners 8.625% 2020	\$100,000	65	-	CHL Mortgage Pass Through Trust 6.25% 2036	\$82,697	46	-		
Briggs & Stratton 6.875% 2020	\$100,000	67	-	CHL Mortgage Pass Through Trust 6.5% 2037	\$97,892	51	-		
Brightstar Corporation 9.5% 2016	\$45,000	30	-	Chrysler Group 8.25% 2021	\$600,000	409	0.2		
Brookfield Residential Properties 6.125% 2022	\$45,000	27	-	Cimarex Energy 5.875% 2022	\$78,000	51	-		
				Cincinnati Bell 8.375% 2020	\$45,000	29	-		
				Cincinnati Bell 8.75% 2018	\$20,000	13	-		
				Cinemark USA 4.875% 2023	\$200,000	115	0.1		
				Cinemark USA 5.125% 2022	\$55,000	33	-		
				Cinemark USA 7.375% 2021	\$100,000	67	-		

Portfolio statement – continued

As at 31 January 2014

Investment	Holding	Market value		Total net assets %	Investment	Holding	Market value		Total net assets %
		£'000					£'000		
CIT Group 4.25% 2017	\$42,000	27	-		Crown Castle International 5.25% 2023	\$267,000	161	0.1	
CIT Group 5% 2017	\$30,000	19	-		CS First Boston Mortgage Securities 5.25% 2028	\$482,803	301	0.1	
CIT Group 5% 2022	\$298,000	180	0.1		CS First Boston Mortgage Securities 5.5% 2035	\$31,759	17	-	
CIT Group 5.25% 2018	\$360,000	233	0.1		CSC Holdings 8.625% 2019	\$200,000	142	0.1	
CIT Group 5.375% 2020	\$70,000	45	-		CSFB Mortgage Backed 5.25% 2020	\$6,237	4	-	
CIT Group 5.5% 2019	\$325,000	210	0.1		CSFB Mortgage Backed 5.5% 2020	\$331,456	204	0.1	
CIT Group 6.625% 2018	\$40,000	27	-		CSFB Mortgage Backed 5.5% 2035	\$69,000	43	-	
Citgo Petroleum 11.5% 2017	\$30,000	19	-		CSFB Mortgage Backed FRN Jun 2034	\$113,314	70	-	
Citigroup 5.35% FRN Perpetual	\$1,630,000	877	0.3		CSFB Mortgage Backed FRN Oct 2034	\$236,377	147	0.1	
Citigroup 5.95% Perpetual	\$1,475,000	856	0.3		CSMC Mortgage Backed Trust 5% 2037	\$36,465	21	-	
Citigroup Capital 7.875% 2040	\$1,850	31	-		CSMC Mortgage Backed Trust 5.5% 2037	\$46,235	27	-	
Citigroup Mortgage Loan Trust 5.5% 2035	\$184,594	111	0.1		CST Brands 5% 2023	\$94,000	55	-	
Citigroup Mortgage Loan Trust 7% 2035	\$98,034	58	-		CVR Refining 6.5% 2022	\$51,000	31	-	
Citigroup Mortgage Loan Trust FRN Feb 2035	\$31,979	15	-		CWAB FRN 2034	\$364,471	203	0.1	
Citigroup Mortgage Loan Trust FRN Oct 2035	\$196,571	118	0.1		CWABS 0.987% 2033	\$30,358	17	-	
Citigroup Mortgage Loan Trust FRN 2035 STEP	\$11,619	7	-		CWABS 5.05% 2036	\$39,180	23	-	
Citigroup Mortgage Loan Trust FRN 2037	\$12,252	7	-		CWABS FRN 2033	\$65,944	37	-	
Claire's Stores 6.125% 2020	\$141,000	81	-		CWABS FRN Mar 2034	\$41,212	24	-	
Claire's Stores 7.75% 2020	\$22,000	12	-		CWABS FRN Jun 2034	\$185,000	101	-	
Claire's Stores 8.875% 2019	\$285,000	168	0.1		CWABS FRN Jul 2034	\$841,678	485	0.2	
Claire's Stores 9% 2019	\$467,000	298	0.1		CWALT 5% 2034	\$61,366	39	-	
Clear Channel Communications 11.25% 2021	\$25,000	17	-		CWALT 5.25% 2021	\$61,348	34	-	
Clear Channel Communications 9% 2019	\$245,000	152	0.1		CWALT 5.25% 2035	\$75,270	44	-	
Clear Channel Communications 9% 2021	\$125,000	77	-		CWALT 5.5% 2020	\$47,632	28	-	
Clear Channel Worldwide 6.5% 2022	\$19,000	12	-		CWALT 5.5% Jul 2025	\$47,587	30	-	
Clear Channel Worldwide 7.625% 2020	\$5,000	3	-		CWALT 5.5% Feb 2035	\$263,258	158	0.1	
Clear Channel Worldwide 'B' 6.5% 2022	\$976,000	609	0.2		CWALT 5.5% Mar 2035	\$410,000	227	0.1	
Clear Channel Worldwide 'B' 7.625% 2020	\$577,000	369	0.1		CWALT 5.5% Apr 2035	\$60,000	36	-	
Clearwater Paper 4.5% 2023	\$10,000	6	-		CWALT 5.5% Apr 2035 (2005-6CB CL)	\$455,305	273	0.1	
Clearwire Communications 14.75% 2016	\$60,000	49	-		CWALT 5.5% May 2035 1A1	\$120,116	67	-	
Cleaver-Brooks 8.75% 2019	\$37,000	25	-		CWALT 5.5% May 2035	\$503,697	302	0.1	
Cloud Peak Energy Resources 8.25% 2017	\$30,000	19	-		CWALT 5.5% May 2035 (2005-13CB)	\$544,068	336	0.1	
CNG Holdings 9.375% 2020	\$128,000	73	-		CWALT 5.5% Jul 2035	\$55,186	31	-	
CNH Capital 3.625% 2018	\$21,000	13	-		CWALT 5.5% Dec 2035 (2005-64CB 1A1)	\$79,859	44	-	
CNL Lifestyle Properties 7.25% 2019	\$20,000	13	-		CWALT 5.5% Dec 2035 (2005-114 A3)	\$67,551	36	-	
Coeur Mining 7.875% 2021	\$76,000	47	-		CWALT 5.5% Dec 2035 MTG BDS	\$173,342	96	-	
Cogeco Cable 4.875% 2020	\$20,000	12	-		CWALT 5.5% 2036	\$94,351	53	-	
Commercial Metals 4.875% 2023	\$25,000	14	-		CWALT 5.75% 2035	\$74,296	45	-	
Commercial Metals 6.5% 2017	\$50,000	34	-		CWALT 6% 2017	\$34,564	21	-	
Commercial Metals 7.35% 2018	\$25,000	17	-		CWALT 6% Jun 2034	\$132,974	85	-	
Community Choice Financial 10.75% 2019	\$19,000	10	-		CWALT 6% Dec 2034	\$33,106	20	-	
Community Health Systems 5.125% 2018	\$57,000	36	-		CWALT 6% Jan 2035	\$9,060	6	-	
Community Health Systems 7.125% 2020	\$67,000	43	-		CWALT 6% Jun 2035	\$349,145	211	0.1	
Community Health Systems 8% 2019	\$80,000	53	-		CWALT 6% 2036	\$61,084	31	-	
Comstock Resources 7.75% 2019	\$45,000	29	-		CWALT 6.5% 2034	\$62,676	38	-	
Comstock Resources 9.5% 2020	\$147,000	101	-		CWMBS 4.5% 2033	\$807,657	509	0.2	
Concho Resources 5.5% 2022	\$50,000	31	-		CWMBS 5.25% 2027	\$181,670	108	0.1	
Concho Resources 6.5% 2022	\$115,000	75	-		CWMBS 5.5% 2035	\$11,561	7	-	
Concho Resources 7% 2021	\$125,000	83	-		CWMB FRN 2033	\$23,688	14	-	
Consol Energy 6.375% 2021	\$90,000	57	-		Cyrusone 6.375% 2022	\$21,000	13	-	
Consol Energy 8% 2017	\$10,000	6	-		Dana Holding 5.375% 2021	\$250,000	153	0.1	
Consol Energy 8.25% 2020	\$25,000	16	-		Darling International 5.375% 2022	\$35,000	21	-	
Constar International 11% 2017	\$39,964	4	-		DaVita 5.75% 2022	\$35,000	22	-	
Constellation Brands 3.75% 2021	\$10,000	6	-		DaVita Healthcare 6.375% 2018	\$63,000	40	-	
Constellation Brands 4.25% 2023	\$19,000	11	-		DaVita Healthcare 6.625% 2020	\$95,000	62	-	
Constellation Brands 6% 2022	\$20,000	13	-		DCP Midstream 5.85% 2043	\$200,000	112	0.1	
Continental Airlines 7.875% 2020	\$57,670	38	-		Dean Foods 7% 2016	\$11,000	7	-	
Continental Airlines 9.318% 2021	\$11,162	8	-		Del Monte 7.625% 2019	\$250,000	158	0.1	
Continental Airlines 9.558% 2021	\$10,455	7	-		Delta Air Lines 6.875% 2019	\$51,159	34	-	
Continental Airlines 9.798% 2021	\$165,822	114	0.1		Deluxe 7% 2019	\$100,000	65	-	
Convatec Healthcare 10.5% 2018	\$200,000	135	0.1		Denali Finance 5.625% 2020	\$244,000	147	0.1	
Corrections Corporation of America 4.125% 2020	\$300,000	177	0.1		Denbury Resources 8.25% 2020	\$200,000	133	0.1	
Countrywide Capital III 8.05% Preference 2027	\$45,000	32	-		Diamondback Energy 7.625% 2021	\$31,000	20	-	
Countrywide Home Loan 5.5% 2035	\$130,000	81	-		DigitalGlobe 5.25% 2021	\$60,000	36	-	
Countrywide Home Loan FRN Oct 2034	\$116,934	67	-		DineEquity 9.5% SNR 2018	\$40,000	27	-	
Countrywide Home Loan FRN Dec 2034	\$58,684	34	-		Discover Financial Services 6.5% Preference Perpetual	\$23,700	343	0.1	
Countrywide Home Loan FRN 2035	\$81,786	44	-		Dish DBS 4.625% 2017	\$3,000	2	-	
Countrywide Securities 2.56375% 2032	\$52,615	30	-		Dish DBS 5.125% 2020	\$85,000	52	-	
Credit Based Asset Servicing And Securities 5.303% 2035	\$126,133	72	-		Dish DBS 5.875% 2022	\$369,000	225	0.1	
Credit Suisse First Boston Mortgage Securities 5.5% 2034	\$657,376	425	0.2		Dish DBS 6.75% SNR 2021	\$515,000	335	0.1	
Credit Suisse First Boston Mortgage Securities FRN 2034	\$555,729	341	0.1		Dish DBS 7.125% 2016	\$250,000	167	0.1	
Crestview DS Merger Sub II 10% 2021	\$80,000	53	-		Dish DBS 7.875% 2019	\$420,000	291	0.1	
Crestwood Midstream Partners 6% 2020	\$8,000	5	-		DJO Finance 7.75% SNR 2018	\$100,000	62	-	
Crestwood Midstream Partners 6.125% 2022	\$45,000	28	-		DJO Finance 8.75% 2018	\$25,000	17	-	
Cricket Communications 7.75% 2020	\$125,000	86	-		DR Horton 6.5% 2016	\$5,000	3	-	
Crosstex Energy 7.125% 2022	\$21,000	15	-		Dreamworks 6.875% 2020	\$85,000	55	-	
Crosstex Energy 8.875% 2018	\$200,000	128	0.1		Duke Energy 5.125% Preference 2073	\$12,400	162	0.1	
Crown Americas 4.5% 2023	\$49,000	28	-		Dupont Fabros Technology 5.875% 2021	\$37,000	23	-	
Crown Castle International 4.5% 2016	\$2,294	136	0.1		Dycom 7.125% 2021	\$31,000	20	-	
					Dynegy 5.875% 2023	\$36,000	21	-	
					Dynrgy Escrow 7.125% 2018#	\$100,000	-	-	

Portfolio statement – continued

As at 31 January 2014

Investment	Holding	Market value		Total net assets %	Investment	Holding	Market value		Total net assets %
		£'000					£'000		
E Trade Financial 6.375% 2019	\$40,000	26	-	-	Fresenius Medical Care 5.875% 2022	\$135,000	87	-	-
Easton-Bell Sports 9.75% 2016	\$225,000	142	0.1	-	Fresenius Medical Care 6.5% 2018	\$70,000	48	-	-
Ecopetrol 5.875% 2023	\$60,000	38	-	-	Frontier Communications 7.125% 2019	\$10,000	7	-	-
EDF 5.25% FRN Perpetual	\$430,000	254	0.1	-	Frontier Communications 7.125% 2023	\$31,000	19	-	-
EDF 5.625% FRN Perpetual	\$320,000	189	0.1	-	Frontier Communications 7.625% 2024	\$5,000	3	-	-
Edison Mission Energy 7% 2017#	\$100,000	47	-	-	Frontier Communications 8.5% 2020	\$30,000	20	-	-
Edison Mission Energy 7.2% 2019#	\$50,000	24	-	-	Frontier Communications 8.75% 2022	\$30,000	20	-	-
Embarq Corporation 7.995% 2036	\$289,000	182	0.1	-	Frontier Communications 9.25% 2021	\$62,000	43	-	-
Emergency Medical Services 8.125% 2019	\$32,000	21	-	-	FTI CONSULTING 6% 2022	\$14,000	9	-	-
Endo Finance 5.75% 2022	\$45,000	27	-	-	FTI Consulting 6.75% 2020	\$25,000	16	-	-
Endo Health Solutions 7% 2019	\$45,000	29	-	-	FWCT-2 Escrow 5.125% 2021	\$55,000	34	-	-
Endo Health Solutions 7% 2020	\$30,000	19	-	-	FWCT-2 Escrow 6.875% 2022	\$110,000	68	-	-
Energy Future International 10% 2020	\$175,000	113	0.1	-	Gannett 5.125% 2020	\$43,000	26	-	-
Energy Future International 11.75% 2022	\$21,000	15	-	-	Gannett 6.375% 2015	\$15,000	10	-	-
Energy Transfer Equity 5.875% 2024	\$150,000	91	-	-	Gannett 6.375% 2023	\$45,000	28	-	-
Energy XXI Gulf Coast 7.5% 2021	\$75,000	47	-	-	Gannett 7.125% 2018	\$15,000	10	-	-
Energy XXI Gulf Coast 9.25% 2017	\$6,000	4	-	-	Garda World Security 7.25% 2021	\$80,000	50	-	-
Enterprise Products 7% FRN 2067	\$150,000	94	-	-	GCI 6.75% 2021	\$100,000	59	-	-
Enterprise Products 7.034% FRN 2068	\$110,000	74	-	-	GCI 8.625% 2019	\$150,000	97	-	-
EPE 8.125% 2017	\$14,158	9	-	-	Gencorp 7.125% 2021	\$11,000	7	-	-
Epicor Software 8.625% 2019	\$175,000	115	0.1	-	General Cable 5.75% 2022	\$250,000	150	0.1	-
Equinix 4.875% 2020	\$11,000	7	-	-	General Electric Capital 5.25% 2049	\$1,100,000	632	0.2	-
Equinix 7% 2021	\$20,000	13	-	-	General Electric Capital 6.25% FRN Perpetual	\$1,600,000	1,017	0.4	-
Equity One Mortgage Trust 5.05% 2033	\$32,658	20	-	-	General Motors Financials 2.75% 2016	\$12,000	7	-	-
Equity One Mortgage Trust 5.115% 2034	\$275,424	157	0.1	-	General Motors Financials 3.25% 2018	\$181,000	111	0.1	-
Equity One Mortgage Trust FRN 2034	\$65,083	39	-	-	General Motors Financials 4.25% 2023	\$9,000	5	-	-
EV Energy Partner 8% 2019	\$150,000	93	-	-	General Motors Financials 4.75% 2017	\$50,000	32	-	-
Everest Acquisition 6.875% 2019	\$295,000	193	0.1	-	General Motors Financials 4.875% 2023	\$375,000	230	0.1	-
Everest Acquisition 7.75% 2022	\$128,000	86	-	-	Genesis Energy 5.75% 2021	\$150,000	93	-	-
Everest Acquisition 9.375% 2020	\$288,000	201	0.1	-	Genesis Energy 7.875% 2018	\$31,000	20	-	-
Extra Space Storage 2.375% Convertible 2033	\$75,000	47	-	-	Genon Escrow 9.5% 2018	\$100,000	65	-	-
Felcor Lodging 5.625% 2023	\$50,000	30	-	-	Genon Escrow 9.875% 2020	\$200,000	127	0.1	-
Felcor Lodging 6.75% 2019	\$35,000	23	-	-	Geo Group 5.875% 2022	\$250,000	152	0.1	-
Ferrellgas Finance 6.5% 2021	\$70,000	44	-	-	Georgian Railway LIC 7.75% 2022	\$400,000	257	0.1	-
Ferrellgas Finance 6.75% 2022	\$23,000	14	-	-	GMACM Mortgage Loan Trust FRN 2034	\$112,139	66	-	-
GS Mortgage Securities FRN 2035	\$80,815	47	-	-	Goldman Sachs 5.793% FRN 2043	\$1,235,000	562	0.2	-
Fidelity & Guaranty Life 6.375% 2021	\$51,000	33	-	-	Goodman Networks FRN 2018	\$116,000	74	-	-
Fidelity National Financial 5% 2022	\$13,000	8	-	-	Goodrich Petroleum 5% Convertible 2032	\$101,000	66	-	-
Fifth Third Bancorp 5.1% Perpetual	\$635,000	340	0.1	-	Goodyear Tire & Rubber 7% 2022	\$175,000	116	0.1	-
First Data 10.625% 2021	\$25,000	17	-	-	Goodyear Tire & Rubber 8.25% 2020	\$200,000	135	0.1	-
First Data 11.25% 2021	\$23,000	15	-	-	Goodyear Tire & Rubber 8.75% 2020	\$100,000	72	-	-
First Data 11.75% 2021	\$60,000	38	-	-	Graham Packaging International 7.875% 2018	\$32,000	21	-	-
First Data 11.75% 2021 (144A)	\$75,000	47	-	-	Graphic Packaging International 4.75% 2021	\$24,000	14	-	-
First Data 12.625% 2021	\$87,000	62	-	-	Graton Economic Development Authority 9.625% 2019	\$45,000	31	-	-
First Data 14.5% 2019	\$89,997	51	-	-	Gray Television 7.5% 2020	\$120,000	78	-	-
First Data 6.75% 2020	\$555,000	355	0.1	-	Great Lakes Dredge & Dock 7.375% 2019	\$100,000	64	-	-
First Data 7.375% 2019	\$40,000	26	-	-	Griffon 7.125% 2018	\$25,000	16	-	-
First Data 8.25% 2021	\$514,000	331	0.1	-	GS Mortgage Securities 6% 2035	\$40,540	25	-	-
First Data 8.75% 2022	\$643,460	415	0.2	-	GS Mortgage Securities 6% 2036	\$315,606	186	0.1	-
First Data 8.875% 2020	\$465,000	311	0.1	-	GS Mortgage Securities FRN 2033	\$104,656	59	-	-
First Franklin Mortgage Linked Asset Backed FRN 2035	\$340,116	196	0.1	-	GS Mortgage Securities FRN 2045	\$27,895	16	-	-
First Franklin Mortgage Loan Trust 0.809% FRN 2034	\$424,981	227	0.1	-	GSAA Home Equity Trust FRN 2035	\$200,194	115	0.1	-
First Franklin Mortgage Loan Trust A1 FRN 2034	\$378,162	213	0.1	-	GSAMP Trust FRN Jun 2033	\$77,136	47	-	-
First Horizon Alternative Mortgage Securities Trust 5.5% 2035	\$18,672	12	-	-	GSAMP Trust FRN Aug 2033	\$133,959	74	-	-
First Horizon Alternative Mortgage Securities Trust 5.75% 2021	\$104,401	63	-	-	GSAMP Trust FRN Feb 2035	\$284,415	166	0.1	-
First Horizon Mortgage Pass Through Trust 5.25% 2021	\$3,874	2	-	-	GSAMP Trust FRN Jun 2035	\$518,170	306	0.1	-
First Horizon Mortgage Pass Through Trust 5.5% 2035	\$240,000	145	0.1	-	GSAMP Trust FRN Apr 2036	\$419,638	190	0.1	-
First Horizon Mortgage Pass Through Trust 6% 2036	\$43,750	26	-	-	GSAMP Trust FRN Dec 2036	\$119,985	65	-	-
Flextronics International 5% 2023	\$20,000	12	-	-	GSR Mortgage Loan Trust 5.5% 2021	\$74,398	45	-	-
FMG Resources 6% 2017	\$7,000	4	-	-	GSR Mortgage Loan Trust 5.5% 2034	\$52,159	34	-	-
FMG Resources 6.375% 2016	\$15,000	9	-	-	GSR Mortgage Loan Trust 6% 2036	\$87,849	52	-	-
FMG Resources 6.875% 2018	\$40,000	26	-	-	GSR Mortgage Loan Trust 6% 2037	\$43,261	25	-	-
FMG Resources 6.875% 2022	\$93,000	61	-	-	Gymboree 9.125% 2018	\$25,000	14	-	-
FMG Resources 7% 2015	\$72,000	46	-	-	H&E Equipment Services 7% 2022	\$140,000	93	-	-
FMG Resources 8.25% 2019	\$395,000	265	0.1	-	Halcon Resources 8.875% 2021	\$125,000	76	-	-
Ford Motor Credit 6.625% 2017	\$250,000	176	0.1	-	Halcon Resources 9.25% 2020	\$22,000	14	-	-
Forest Labs 4.375% 2019	\$45,000	27	-	-	Halcon Resources 9.25% 2022	\$90,000	55	-	-
Forest Labs 4.875% 2021	\$25,000	15	-	-	Harborview Mortgage Loan Trust FRN 2045	\$34,709	19	-	-
Freescale Semiconductor 5% 2021	\$45,000	27	-	-	Harland Clarke 6.875% 2020	\$20,000	12	-	-
Freescale Semiconductor 6% 2022	\$52,000	33	-	-	Harland Clarke 9.25% 2021	\$35,000	21	-	-
Freescale Semiconductor 8.05% 2020	\$27,000	18	-	-	Harland Clarke 9.75% 2018	\$130,000	86	-	-
Fremont Home Loan Trust 5.44% FRN 2037	\$16,689	10	-	-	Harland Clarke FRN 2015	\$120,000	73	-	-
Fremont Home Loan Trust FRN May 2034	\$49,399	28	-	-	Harron Communications 9.125% 2020	\$20,000	14	-	-
Fremont Home Loan Trust FRN Jul 2034	\$133,763	76	-	-	Hartford Financial Services Group 8.125% 2038	\$115,000	81	-	-
Fresenius Medical Care 5.625% 2019	\$166,000	107	0.1	-	Hawk Acquisition 4.25% 2020	\$465,000	276	0.1	-
Fresenius Medical Care 5.75% 2021	\$50,000	32	-	-	HCA 4.75% 2023	\$20,000	12	-	-
					HCA 5.875% 2022	\$115,000	74	-	-
					HCA 5.875% 2023	\$50,000	31	-	-
					HCA 6.25% 2021	\$75,000	49	-	-
					HCA 6.5% 2020	\$485,000	325	0.1	-
					HCA 7.25% 2020	\$50,000	33	-	-
					HCA 7.5% 2022	\$671,000	461	0.2	-

Portfolio statement – continued

As at 31 January 2014

Investment	Market value		Total net assets %	Investment	Market value		Total net assets %
	Holding	£'000			Holding	£'000	
HCA 7.75% 2021	\$850,000	567	0.2	Jaguar Holding 9.375% 2017	\$5,000	3	-
HCA 7.875% 2020	\$20,000	13	-	Jarden 7.5% 2017	\$325,000	228	0.1
HCA 8% 2018	\$85,000	61	-	JBS 7.25% 2021	\$100,000	63	-
HD Supply 7.5% 2020	\$77,000	50	-	JBS 7.75% 2020	\$200,000	125	0.1
HD Supply 8.125% 2019	\$345,000	233	0.1	JBS 8.25% 2020	\$33,000	22	-
Headwaters 7.25% 2019	\$36,000	23	-	JC Penney 5.75% 2018	\$100,000	45	-
Healthcare Technology Intermediate FRN 2018	\$22,000	14	-	JM Huber 9.875% 2019	\$15,000	10	-
HealthSouth 7.75% 2022	\$250,000	167	0.1	JMC Steel Group 8.25% 2018	\$40,000	25	-
Heat FRN 2033	\$71,277	41	-	JPMorgan Mortgage Trust 4.768% 2035^	\$45,655	28	-
Hecla Mining 6.875% 2021	\$117,000	68	-	JPMorgan Mortgage Trust 5% 2021^	\$16,555	10	-
Hertz 4.25% 2018	\$13,000	8	-	JPMorgan Mortgage Trust 5.41% 2035^	\$25,540	15	-
Hertz 5.875% 2020	\$250,000	158	0.1	JPMorgan Mortgage Trust 6% 2022^	\$12,320	8	-
Hertz 6.25% 2022	\$10,000	6	-	JPMorgan Mortgage Trust FRN 2034^	\$24,182	14	-
Hertz 6.75% 2019	\$7,000	5	-	JPMorgan Mortgage Trust FRN 2035^	\$70,446	43	-
Hertz 7.375% 2021	\$85,000	56	-	Jurassic Holding III 6.875% 2021	\$40,000	24	-
Hexion Nova Scotia 6.625% 2020	\$375,000	237	0.1	Kaisa Group 8.875% 2018	\$200,000	121	0.1
Hexion Nova Scotia 8.875% 2018	\$100,000	63	-	Kaiser Aluminum 8.25% 2020	\$56,000	38	-
Hiland Partners 7.25% 2020	\$206,000	134	0.1	KazMuniGaz Finance 11.75% 2015	\$460,000	305	0.1
Hilcorp Energy 7.625% 2021	\$124,000	82	-	Kennedy Wilson 8.75% 2019	\$15,000	10	-
Hilcorp Energy 8% 2020	\$80,000	52	-	Key Energy Services 6.75% 2021	\$160,000	100	-
Hilton Worldwide Finance 5.625% 2021	\$95,000	60	-	Kinder Morgan 5% 2021	\$40,000	24	-
Holly Energy 8.25% 2018	\$15,000	10	-	Kinder Morgan 5.625% 2023	\$40,000	24	-
Hologic 6.25% 2020	\$280,000	178	0.1	Kinetic Concepts 10.5% 2018	\$150,000	105	0.1
Home Equity Asset Trust FRN 2034	\$27,234	15	-	Kodiak Oil & Gas 5.5% 2021	\$12,000	7	-
Hospira 5.2% 2020	\$7,000	5	-	Kodiak Oil & Gas 5.5% 2022	\$26,000	16	-
Hovnanian Enterprises 11.875% 2015	\$60,000	42	-	Kodiak Oil & Gas 8.125% 2019	\$100,000	67	-
Hovnanian Enterprises 6.25% 2016	\$2,000	1	-	L Brands 5.625% 2023	\$50,000	30	-
Hovnanian Enterprises 7% 2019	\$12,000	7	-	Lafarge 7.125% 2036	\$25,000	16	-
Hovnanian Enterprises 7.25% 2020	\$23,000	15	-	Lamar Media 5% 2023	\$12,000	7	-
Hovnanian Enterprises 9.125% 2020	\$16,000	11	-	Lamar Media 5.875% 2022	\$105,000	66	-
Hrvatska Elektroprivreda 6% 2017	\$200,000	124	0.1	Laredo Pete 7.375% 2022	\$28,000	19	-
Huntsman International 4.875% 2020	\$300,000	180	0.1	Lehman Mortgage Trust 6% 2036	\$274,175	132	0.1
Huntsman International 8.625% 2020	\$150,000	100	-	Lehman Mortgage Trust FRN Nov 2035	\$554,474	297	0.1
IAC 4.875% 2018	\$10,000	6	-	Lehman Mortgage Trust FRN Dec 2035	\$259,062	148	0.1
IAS Partnership 5% 2018	\$80,000	46	-	Lender Processing 5.75% 2023	\$20,000	13	-
iasis Healthcare 8.375% 2019	\$58,000	38	-	Lennar 12.25% 2017	\$20,000	16	-
ICAHN Enterprises Finance 3.5% 2017	\$91,000	55	-	Lennar 6.95% 2018	\$60,000	41	-
ICAHN Enterprises Finance 4.875% 2019	\$45,000	27	-	Level 3 Communications 11.875% SNR 2019	\$325,000	227	0.1
iGate 9% 2016	\$80,000	51	-	Level 3 Communications 8.875% 2019	\$44,000	29	-
Igloo 8.25% 2017	\$69,000	43	-	Level 3 Financing 6.125% 2021	\$142,000	88	-
ILFC E-Capital Index Linked Trust 5.9% 2065	\$255,000	142	0.1	Level 3 Financing 7% 2020	\$62,000	40	-
ILFC E-Capital Index Linked Trust 6.25% 2065	\$100,000	57	-	Level 3 Financing 8.125% 2019	\$279,000	186	0.1
Impac CMB Trust FRN 2034	\$79,941	47	-	Level 3 Financing 8.625% 2020	\$129,000	88	-
Impac CMB Trust FRN 2035	\$76,940	42	-	Level 3 Financing 9.375% SNR 2019	\$103,000	70	-
IMS Health 6% 2020	\$150,000	97	-	Level 3 Financing FRN 2018	\$20,000	12	-
Indymac ABS FRN 2035	\$158,472	90	-	Libbey Glass 6.875% 2020	\$156,000	102	-
Indymac MBS FRN Mar 2035	\$360,000	194	0.1	Liberty Media 8.25% 2030	\$30,000	19	-
Indymac MBS FRN Apr 2035	\$72,305	40	-	Liberty Mutual Group 7.8% 2087	\$109,000	71	-
Ineos Group 7.5% 2020	\$300,000	199	0.1	Liberty Mutual Group FRN 2088	\$41,000	38	-
Infor 11.50% 2020	\$100,000	70	-	Liberty Tire Recycling 11% 2016	\$24,000	14	-
Infor 9.375% 2019	\$298,000	204	0.1	Lifepoint Hospitals 5.5% 2021	\$30,000	19	-
ING US 5.65% FRN 2053	\$520,000	303	0.1	Lifepoint Hospitals 6.625% 2020	\$18,000	12	-
Ingles Markets 5.75% 2023	\$50,000	30	-	Limited Brands 6.625% 2021	\$250,000	166	0.1
Inmet Mining 7.5% 2021	\$10,000	7	-	LIN Television 8.375% 2018	\$50,000	32	-
Inmet Mining 8.75% 2020	\$75,000	52	-	Linn Energy 6.25% 2019	\$350,000	217	0.1
Intelsat Luxembourg 7.75% 2021	\$168,000	110	0.1	Linn Energy 7.75% 2021	\$100,000	65	-
Intelsat Luxembourg 8.125% 2023	\$158,000	104	0.1	Live Nation Entertainment 7% 2020	\$37,000	24	-
Intelsat Jackson 5.5% 2023	\$100,000	58	-	LKQ 4.75% 2023	\$19,000	11	-
Intelsat Jackson 6.625% 2022	\$465,000	292	0.1	Long Beach Mortgage Loan Trust FRN 2031	\$54,123	29	-
Intelsat Jackson 6.625% 2022 144A	\$100,000	63	-	Long Beach Mortgage Loan Trust FRN 2032	\$285,727	161	0.1
Intelsat Jackson 7.25% 2020	\$595,000	392	0.2	Long Beach Mortgage Loan Trust FRN 2034	\$233,904	136	0.1
Intelsat Jackson 7.5% 2021	\$350,000	234	0.1	Long Beach Mortgage Loan Trust FRN 2035	\$72,627	43	-
Interactive Data 10.25% 2018	\$65,000	43	-	Louisiana Pacific 7.5% 2020	\$43,000	29	-
Intergen 7% 2023	\$200,000	126	0.1	LSB Industries 7.75% 2021	\$78,000	50	-
International Lease Finance 4.625% 2021	\$6,000	3	-	Lucent Technologie 6.45% 2029	\$57,000	31	-
International Lease Finance 5.875% 2019	\$225,000	147	0.1	Lynx I 5.375% 2021	\$200,000	122	0.1
International Lease Finance 6.25% 2019	\$395,000	260	0.1	M/I Homes 8.625% 2018	\$56,000	37	-
International Lease Finance 8.25% 2020	\$110,000	79	-	Magnachip Semiconductor 6.625% 2021	\$190,000	118	0.1
International Lease Finance 8.625% 2022	\$185,000	133	0.1	Mallinckrodt International Finance 3.5% 2018	\$6,000	4	-
International Lease Finance 8.75% 2017	\$465,000	329	0.1	Mallinckrodt International Finance 4.75% 2023	\$22,000	13	-
International Wire Group 8.5% 2017	\$56,000	37	-	Manitowoc 8.5% 2020	\$255,000	175	0.1
Inventiv Health 10% 2018	\$54,000	30	-	Marathon Oil 6% 2023	\$9,000	5	-
Inventiv Health 10% SNR 2018	\$27,000	15	-	Marina District Finance 9.875% 2018	\$250,000	163	0.1
Inventiv Health 9% 2018	\$20,000	13	-	Markwest Energy Partners 4.5% 2023	\$18,000	10	-
Iron Mountain 5.75% 2024	\$50,000	28	-	Markwest Energy Partners 5.5% 2023	\$500,000	305	0.1
Iron Mountain 7.75% 2019	\$50,000	34	-	Markwest Energy Partners 6.25% 2022	\$13,000	8	-
Isle of Capri Casinos 5.875% 2021	\$98,000	61	-	Markwest Energy Partners 6.75% 2020	\$15,000	10	-
Isle of Capri Casinos 7.75% 2019	\$37,000	24	-	Martin Midstream Partners 7.25% 2021	\$113,000	71	-
Isle of Capri Casinos 8.875% 2020	\$10,000	7	-	Masco 5.95% 2022	\$11,000	7	-
ISTAR Financial 4.875% 2018	\$110,000	67	-	Masco 7.125% 2020	\$2,000	1	-
ISTAR Financial 9% 2017	\$20,000	14	-	Masonite International 8.25% 2021	\$96,000	64	-
J Crew Group 8.125% 2019	\$350,000	222	0.1	Mastec 4.875% 2023	\$23,000	13	-
Jabil Circuit 4.7% 2022	\$7,000	4	-	Master Alternative Loan Trust 5.5% Jun 2021	\$19,748	11	-

Portfolio statement – continued

As at 31 January 2014

Investment	Holding	Market value £'000	Total net assets %	Investment	Holding	Market value £'000	Total net assets %
Master Alternative Loan Trust 5.5% Apr 2035	\$35,301	22	-	New Century Home Equity Loan Trust 1.0403% 2035	\$87,105	48	-
Master Alternative Loan Trust 5.5% Dec 2035	\$88,590	48	-	New Century Home Equity Loan Trust 2.7203% 2033	\$83,448	48	-
Master Alternative Loan Trust 5.75% 2035	\$105,163	57	-	New Century Home Equity Loan Trust FRN Aug 2034 M4	\$76,603	43	-
Master Alternative Loan Trust 6% Dec 2034	\$186,540	120	0.1	New Century Home Equity Loan Trust FRN Aug 2034 M2	\$16,924	10	-
Master Asset Backed Securities Trust 0.8953% 2034	\$274,745	145	0.1	New Century Home Equity Loan Trust FRN 2034	\$95,120	46	-
Master Asset Backed Securities Trust FRN 2034	\$118,145	65	-	New Century Home Equity Loan Trust FRN 2035	\$13,583	7	-
Mattamy Group 6.5% 2020	\$34,000	20	-	New Gold 6.25% 2022	\$22,000	13	-
McGraw-Hill 9.75% 2021	\$54,000	35	-	New Gold 7% 2020	\$6,000	4	-
Mediacom Capital 9.125% 2019	\$51,000	34	-	Newfield Exploration 5.625% 2024	\$12,000	7	-
MEG Energy 6.375% 2023	\$28,000	17	-	Newfield Exploration 5.75% 2022	\$25,000	16	-
MEG Energy 6.5% 2021	\$25,000	16	-	Newfield Exploration 6.875% 2020	\$30,000	19	-
MEG Energy 7% 2024	\$55,000	34	-	Newford Capital 0% Convertible 2016	\$200,000	126	0.1
Memorial Resource Development 10% 2018	\$25,000	15	-	NewPage 11.375% 2014#	\$138,348	31	-
Meritage Homes 7.15% 2020	\$27,000	18	-	Nexstar Broadcasting 6.875% 2020	\$257,000	167	0.1
Meritor 7.875% 2026	\$30,000	26	-	NFR Energy 9.75% 2017	\$40,000	25	-
Merrill Lynch Mortgage Investors FRN 2034	\$81,980	43	-	NGL Energy Partners 6.875% 2021	\$35,000	22	-
Merrill Lynch Mortgage Investors FRN 2035	\$12,625	7	-	Nielsen 5.5% 2021	\$155,000	97	-
Metlife 6.4% 2066	\$1,070,000	674	0.3	Nielsen Finance LLC 4.5% 2020	\$25,000	15	-
Metropcs Wireless 6.25% 2021	\$277,000	175	0.1	NII Capital 7.625% 2021	\$201,000	53	-
Metropcs Wireless 6.625% 2020	\$20,000	13	-	NII Capital 8.875% 2019	\$55,000	16	-
T-Mobile USA 6.625% 2023	\$103,000	65	-	NII International Telecom 7.875% 2019	\$32,000	15	-
Metropcs Wireless 7.875% 2018	\$40,000	26	-	NII International Telecom 11.375% 2019	\$56,000	28	-
MGM Resorts 10% 2016	\$75,000	55	-	Nokia 5.375% 2019	\$41,000	26	-
MGM Resorts 11.375% 2018	\$50,000	39	-	Nokia 6.625% 2039	\$17,000	10	-
MGM Resorts 5.25% 2020	\$100,000	61	-	Nomura Asset Acceptance 5.159% 2035	\$32,625	20	-
MGM Resorts 6.625% 2021	\$60,000	39	-	Norbord 5.375% 2020	\$48,000	29	-
MGM Resorts 6.75% 2020	\$325,000	214	0.1	Nortek 8.5% 2021	\$50,000	34	-
MGM Resorts 7.625% 2017	\$326,000	225	0.1	Nova Chemicals 5.25% 2023	\$20,000	12	-
MGM Resorts 7.75% 2022	\$527,000	360	0.1	Novastar Mortgage Funding Trust FRN 2033	\$81,422	47	-
MGM Resorts International 8.625% 2019	\$45,000	32	-	Novelis 8.75% 2020	\$90,000	61	-
Michael Foods 9.75% SNR 2018	\$50,000	33	-	NRG Energy 6.25% 2022	\$125,000	76	-
Michaels Stores 7.75% 2018	\$250,000	162	0.1	NRG Energy 6.625% 2023	\$39,000	24	-
Micron Technology 3% Convertible 2043	\$139,000	90	-	NRG Energy 7.625% 2018	\$220,000	150	0.1
Midstates Petroleum 10.75% 2020	\$7,000	5	-	NRG Energy 7.625% 2019	\$20,000	13	-
Milacron Finance 7.75% 2021	\$80,000	52	-	NRG Energy 7.875% 2021	\$70,000	46	-
MISA Investments 8.625% 2018	\$20,000	13	-	NRG Energy 8.25% 2020	\$75,000	50	-
Mobile Mini 7.875% 2020	\$25,000	17	-	Nuance Communications 5.375% 2020	\$58,000	34	-
MOL Group Finance 10% 2019	\$200,000	128	0.1	Nufarm 6.375% 2019	\$77,000	48	-
Montell America Finance 8.1% 2027	\$38,000	29	-	NXP Funding 5.75% 2021	\$400,000	252	0.1
Morgan Stanley 7.125% Preference	\$19,000	301	0.1	Oasis Petroleum 6.875% 2022	\$50,000	32	-
Morgan Stanley ABS Capital FRN Jan 2034 (2004-HE)	\$763,853	425	0.2	Oil States International 5.125% 2023	\$125,000	85	-
Morgan Stanley ABS Capital FRN Mar 2034 HE2	\$52,343	20	-	Oil States International 6.5% 2019#	\$80,000	52	-
Morgan Stanley ABS Capital FRN Mar 2034 HE3	\$209,081	118	0.1	Olin 5.5% 2022	\$170,000	105	0.1
Morgan Stanley ABS Capital FRN Mar 2034	\$188,030	108	0.1	Omnicare 7.75% 2020	\$24,000	16	-
Morgan Stanley ABS Capital FRN May 2034	\$406,008	223	0.1	Omnova Solutions 7.875% 2018	\$50,000	33	-
Morgan Stanley ABS Capital FRN Jul 2034	\$128,145	74	-	Onex USI Acquisition 7.75% 2021	\$52,000	32	-
Morgan Stanley ABS Capital FRN Jul 2034	\$29,460	18	-	Oppenheimer 8.75% 2018	\$30,000	19	-
Morgan Stanley ABS Capital FRN Aug 2034	\$45,938	25	-	Option One Mortgage Acceptance FRN 2033	\$283,689	154	0.1
Morgan Stanley ABS Capital FRN Aug 2034	\$4,121	2	-	Option One Mortgage Acceptance FRN 2033 HE7 M2	\$46,689	27	-
Morgan Stanley ABS Capital FRN Aug 2034 HE6 M2	\$324,732	189	0.1	Morgan Stanley ABS Capital FRN Aug 2034 HE6 M2	\$324,732	189	0.1
Morgan Stanley ABS Capital FRN Sep 2034 (US\$1.00)	\$45,220	26	-	Morgan Stanley ABS Capital FRN Sep 2034	\$33,950	19	-
Morgan Stanley ABS Capital FRN Sep 2034	\$33,950	19	-	Morgan Stanley ABS Capital FRN Nov 2034 M3	\$81,158	45	-
Morgan Stanley ABS Capital FRN Nov 2034 M3	\$103,294	60	-	Morgan Stanley ABS Capital FRN Nov 2034	\$113,730	58	-
Morgan Stanley ABS Capital FRN Dec 2034 M3	\$113,730	58	-	Morgan Stanley ABS Capital FRN Dec 2034 M2	\$30,166	18	-
Morgan Stanley ABS Capital FRN Dec 2034 M2	\$30,166	18	-	Morgan Stanley ABS Capital FRN 2035	\$19,116	9	-
Morgan Stanley ABS Capital FRN 2035	\$19,116	9	-	Morgan Stanley Mortgage Loan Trust 5% 2035	\$17,897	11	-
Morgan Stanley Mortgage Loan Trust 5% 2035	\$17,897	11	-	Morgan Stanley Mortgage Loan Trust 5.25% 2021	\$52,756	31	-
Morgan Stanley Mortgage Loan Trust 5.25% 2021	\$52,756	31	-	Morgan Stanley Mortgage Loan Trust FRN 2034	\$78,201	47	-
Morgan Stanley Mortgage Loan Trust FRN 2034	\$78,201	47	-	MPH International 8.375% 2018	\$53,000	33	-
MPH International 8.375% 2018	\$53,000	33	-	Multipan 9.875% 2018	\$205,000	135	0.1
Multipan 9.875% 2018	\$205,000	135	0.1	Mustang Merger 8.5% 2021	\$65,000	43	-
Mustang Merger 8.5% 2021	\$65,000	43	-	Mylan 7.875% 2020	\$250,000	171	0.1
Mylan 7.875% 2020	\$250,000	171	0.1	National Financial Partners 9% 2021	\$21,000	13	-
National Financial Partners 9% 2021	\$21,000	13	-	National Mentor 12.5% 2018	\$115,000	74	-
National Mentor 12.5% 2018	\$115,000	74	-	Nationstar Mortgage 6.5% 2022	\$35,000	20	-
Nationstar Mortgage 6.5% 2022	\$35,000	20	-	Nationstar Mortgage 7.875% 2020	\$48,000	30	-
Nationstar Mortgage 7.875% 2020	\$48,000	30	-	Nationstar Mortgage 9.625% 2019	\$29,000	20	-
Nationstar Mortgage 9.625% 2019	\$29,000	20	-	Navios Maritime Acquisition 8.125% 2021	\$21,000	13	-
Navios Maritime Acquisition 8.125% 2021	\$21,000	13	-	Navios South American Logistics 9.25% 2019	\$118,000	77	-
Navios South American Logistics 9.25% 2019	\$118,000	77	-	NCR Escrow 5.875% 2021	\$5,000	3	-
NCR Escrow 5.875% 2021	\$5,000	3	-	NCR Escrow 6.375% 2023	\$15,000	9	-
NCR Escrow 6.375% 2023	\$15,000	9	-	Neiman Marcus Group 8% 2021	\$150,000	95	-
Neiman Marcus Group 8% 2021	\$150,000	95	-	Nefflix 5.375% 2021	\$29,000	18	-
Nefflix 5.375% 2021	\$29,000	18	-	Neuberger Berman 5.875% 2022	\$25,000	16	-
Neuberger Berman 5.875% 2022	\$25,000	16	-	New Century Home Equity Loan Trust 1.0403% 2035	\$87,105	48	-
New Century Home Equity Loan Trust 1.0403% 2035	\$87,105	48	-	New Century Home Equity Loan Trust 2.7203% 2033	\$83,448	48	-
New Century Home Equity Loan Trust 2.7203% 2033	\$83,448	48	-	New Century Home Equity Loan Trust FRN Aug 2034 M4	\$76,603	43	-
New Century Home Equity Loan Trust FRN Aug 2034 M4	\$76,603	43	-	New Century Home Equity Loan Trust FRN Aug 2034 M2	\$16,924	10	-
New Century Home Equity Loan Trust FRN Aug 2034 M2	\$16,924	10	-	New Century Home Equity Loan Trust FRN 2034	\$95,120	46	-
New Century Home Equity Loan Trust FRN 2034	\$95,120	46	-	New Century Home Equity Loan Trust FRN 2035	\$13,583	7	-
New Century Home Equity Loan Trust FRN 2035	\$13,583	7	-	New Gold 6.25% 2022	\$22,000	13	-
New Gold 6.25% 2022	\$22,000	13	-	New Gold 7% 2020	\$6,000	4	-
New Gold 7% 2020	\$6,000	4	-	Newfield Exploration 5.625% 2024	\$12,000	7	-
Newfield Exploration 5.625% 2024	\$12,000	7	-	Newfield Exploration 5.75% 2022	\$25,000	16	-
Newfield Exploration 5.75% 2022	\$25,000	16	-	Newfield Exploration 6.875% 2020	\$30,000	19	-
Newfield Exploration 6.875% 2020	\$30,000	19	-	Newford Capital 0% Convertible 2016	\$200,000	126	0.1
Newford Capital 0% Convertible 2016	\$200,000	126	0.1	NewPage 11.375% 2014#	\$138,348	31	-
NewPage 11.375% 2014#	\$138,348	31	-	Nexstar Broadcasting 6.875% 2020	\$257,000	167	0.1
Nexstar Broadcasting 6.875% 2020	\$257,000	167	0.1	NFR Energy 9.75% 2017	\$40,000	25	-
NFR Energy 9.75% 2017	\$40,000	25	-	NGL Energy Partners 6.875% 2021	\$35,000	22	-
NGL Energy Partners 6.875% 2021	\$35,000	22	-	Nielsen 5.5% 2021	\$155,000	97	-
Nielsen 5.5% 2021	\$155,000	97	-	Nielsen Finance LLC 4.5% 2020	\$25,000	15	-
Nielsen Finance LLC 4.5% 2020	\$25,000	15	-	NII Capital 7.625% 2021	\$201,000	53	-
NII Capital 7.625% 2021	\$201,000	53	-	NII Capital 8.875% 2019	\$55,000	16	-
NII Capital 8.875% 2019	\$55,000	16	-	NII International Telecom 7.875% 2019	\$32,000	15	-
NII International Telecom 7.875% 2019	\$32,000	15	-	NII International Telecom 11.375% 2019	\$56,000	28	-
NII International Telecom 11.375% 2019	\$56,000	28	-	Nokia 5.375% 2019	\$41,000	26	-
Nokia 5.375% 2019	\$41,000	26	-	Nokia 6.625% 2039	\$17,000	10	-
Nokia 6.625% 2039	\$17,000	10	-	Nomura Asset Acceptance 5.159% 2035	\$32,625	20	-
Nomura Asset Acceptance 5.159% 2035	\$32,625	20	-	Norbord 5.375% 2020	\$48,000	29	-
Norbord 5.375% 2020	\$48,000	29	-	Nortek 8.5% 2021	\$50,000	34	-
Nortek 8.5% 2021	\$50,000	34	-	Nova Chemicals 5.25% 2023	\$20,000	12	-
Nova Chemicals 5.25% 2023	\$20,000	12	-	Novastar Mortgage Funding Trust FRN 2033	\$81,422	47	-
Novastar Mortgage Funding Trust FRN 2033	\$81,422	47	-	Novelis 8.75% 2020	\$90,000	61	-
Novelis 8.75% 2020	\$90,000	61	-	NRG Energy 6.25% 2022	\$125,000	76	-
NRG Energy 6.25% 2022	\$125,000	76	-	NRG Energy 6.625% 2023	\$39,000	24	-
NRG Energy 6.625% 2023	\$39,000	24	-	NRG Energy 7.625% 2018	\$220,000	150	0.1
NRG Energy 7.625% 2018	\$220,000	150	0.1	NRG Energy 7.625% 2019	\$20,000	13	-
NRG Energy 7.625% 2019	\$20,000	13	-	NRG Energy 7.875% 2021	\$70,000	46	-
NRG Energy 7.875% 2021	\$70,000	46	-	NRG Energy 8.25% 2020	\$75,000	50	-
NRG Energy 8.25% 2020	\$75,000	50	-	Nuance Communications 5.375% 2020	\$58,000	34	-
Nuance Communications 5.375% 2020	\$58,000	34	-	Nufarm 6.375% 2019	\$77,000	48	-
Nufarm 6.375% 2019	\$77,000	48	-	NXP Funding 5.75% 2021	\$400,000	252	0.1
NXP Funding 5.75% 2021	\$400,000	252	0.1	Oasis Petroleum 6.875% 2022	\$50,000	32	-
Oasis Petroleum 6.875% 2022	\$50,000	32	-	Oil States International 5.125% 2023	\$125,000	85	-
Oil States International 5.125% 2023	\$125,000	85	-	Oil States International 6.5% 2019#	\$80,000	52	-
Oil States International 6.5% 2019#	\$80,000	52	-	Olin 5.5% 2022	\$170,000	105	0.1
Olin 5.5% 2022	\$170,000	105	0.1	Omnicare 7.75% 2020	\$24,000	16	-
Omnicare 7.75% 2020	\$24,000	16	-	Omnova Solutions 7.875% 2018	\$50,000	33	-
Omnova Solutions 7.875% 2018	\$50,000	33	-	Onex USI Acquisition 7.75% 2021	\$52,000	32	-
Onex USI Acquisition 7.75% 2021	\$52,000	32	-	Oppenheimer 8.			

Portfolio statement – continued

As at 31 January 2014

Investment	Holding	Market value £'000	Total net assets %	Investment	Holding	Market value £'000	Total net assets %
Petroleos Mexicanos 6.375% 2045	\$50,000	30	-	Residential Asset Securitization Trust 5.5%			
Petrologistics 6.25% 2020	\$45,000	28	-	2035	\$195,000	104	0.1
PHI 8.625% 2018	\$35,000	23	-	Residential Asset Securitization Trust 6% 2035	\$233,179	130	0.1
Pilgrims Pride 7.875% 2018	\$215,000	142	0.1	Residential Asset Securitization Trust FRN 2034	\$217,382	134	0.1
Pinnacle Entertainment 8.75% 2020	\$18,000	12	-	Residential Series Trust 4.75% 2020	\$70,495	44	-
Pioneer Drilling 9.875% 2018	\$70,000	45	-	Residential Series Trust 5% 2035	\$592,712	339	0.1
Pioneer Natural Resources 6.875% 2018	\$25,000	18	-	Resolute Forest Products 5.875% 2023	\$6,000	3	-
Pittsburgh Glass Works 8% 11/18	\$9,000	6	-	Revlon Consumer Products 5.75% 2021	\$26,000	16	-
Plains Exploration & Production 6.5% 2020	\$376,000	250	0.1	Reynolds Group 5.75% 2020	\$1,025,000	638	0.2
Plains Exploration & Production 6.875% 2023	\$126,000	85	-	Reynolds Group 6.875% 2021	\$100,000	65	-
PNC Financial Services Group 6.75% Perpetual	\$1,075,000	687	0.3	Reynolds Group 7.125% 2019	\$100,000	64	-
PNC Financial Services Group FRN Perpetual	\$810,000	445	0.2	Reynolds Group 7.875% 2019	\$100,000	67	-
PNK Finance 6.375% 08/21	\$50,000	31	-	Reynolds Group 8.5% 2018	\$250,000	159	0.1
Polarcus 5.125% 2021	\$17,000	10	-	Reynolds Group 9% 2019	\$100,000	65	-
Polymer Group 7.75% 2019	\$225,000	145	0.1	Reynolds Group 9.875% 2019	\$450,000	302	0.1
Polyone 5.25% 2023	\$100,000	59	-	RFMSI Series Trust 5.5% 2021	\$16,915	11	-
Polyone 7.375% 2020	\$158,000	106	0.1	RFMSI Series Trust 6% 2036	\$3,220	2	-
Post 6.75% 2021	\$58,000	37	-	RHP Hotel Properties 5% 2021	\$122,000	73	-
Post 7.375% 2022	\$300,000	195	0.1	Rite Aid 10.25% 2019	\$144,000	97	-
PPL Capital 6.7% FRN 2067	\$200,000	123	0.1	Rite Aid 6.75% 2021	\$40,000	26	-
Precision Drilling 6.5% 2021	\$145,000	93	-	Rite Aid 8% 2020	\$150,000	102	-
Precision Drilling 6.625% 2020	\$15,000	10	-	Rite Aid 9.25% 2020	\$175,000	121	0.1
Prestige Brands 5.375% 2021	\$40,000	24	-	Rivers Pit Bor 9.5% 2019	\$52,000	35	-
Prestige Brands 8.125% 2020	\$14,000	9	-	RM OPCO 11% 2016	\$27,283	-	-
Prince Mineral 11.5% 2019	\$20,000	14	-	ROC Finance 12.125% 2018	\$50,000	31	-
Prospect Capital 5.75% Convertible 2018	\$232,000	150	0.1	Rockies Express Pipeline 6% 2019	\$17,000	10	-
Prospect Capital 5.875% Convertible 2019	\$190,000	121	0.1	Roofing Supply 10% 2020	\$40,000	27	-
Provident Financial 6.75% 2021	\$18,000	11	-	Rosetta Resources 5.625% 2021	\$166,000	101	-
Prudential Financial 5.2% 2044	\$700,000	414	0.2	Rosetta Resources 5.875% 2022	\$82,000	49	-
Prudential Financial 5.625% 2043	\$1,056,000	642	0.2	Royal Bank of Scotland 5.05% 2015	\$70,000	44	-
Prudential Financial FRN 2042	\$680,000	426	0.2	Royal Bank of Scotland 6% 2023	\$84,000	51	-
PVR Partners 6.5% 2021	\$11,000	7	-	Royal Bank of Scotland 6.1% 2023	\$20,000	12	-
QEP Resources 5.25% 2023	\$14,000	8	-	Royal Bank of Scotland 6.125% 2022	\$235,000	147	0.1
QEP Resources 5.375% 2022	\$350,000	204	0.1	Royal Caribbean Cruises 5.25% 2022	\$9,000	6	-
QEP Resources 6.875% 2021	\$15,000	10	-	RRI Energy 7.875% 2017	\$25,000	16	-
Quadra FNX Mining 7.75% 2019	\$27,000	17	-	RSC Equipment Rental 8.25% 2021	\$250,000	170	0.1
Quapaw Downstream Development 10.5% 2019	\$23,000	14	-	RSHB Capital 9% 2014	\$200,000	125	0.1
Quebecor Media 5.75% 2023	\$175,000	104	0.1	Ryerson 9% 2017	\$20,000	13	-
Quebecor Media 7.75% 2016	\$135,000	83	-	Sabine Pass LNG 5.625% 2021	\$100,000	60	-
Quiksilver 7.875% 2018	\$20,000	13	-	Sabine Pass LNG 5.625% 2023	\$450,000	259	0.1
QVC 7.375% 2020	\$100,000	66	-	Sabre 8.5% 2019	\$320,000	215	0.1
Qwest Capital Funding 7.75% 2031	\$60,000	35	-	Salix Pharm 6% 2021	\$35,000	22	-
R.R. Donnelley & Sons 6.5% 2023	\$35,000	21	-	Sally 5.5% 2023	\$127,000	76	-
Donnelley RR & Sons 7% 2022	\$40,000	26	-	Sally 5.75% 2022	\$175,000	108	0.1
Donnelley RR & Sons 7.25% 2018	\$9,000	6	-	Sally 6.875% 2019	\$50,000	33	-
Donnelley RR & Sons 7.875% 2021	\$10,000	7	-	SAMI FRN 2046	\$110,125	56	-
Radiation Therapy Services 8.875% 2017	\$90,000	57	-	Samson Investment 10% 2020	\$150,000	100	-
Radio One 9.25% 2020	\$20,000	12	-	Sandridge Energy 7.5% 2021	\$145,000	91	-
Radio Systems 8.375% 2019	\$130,000	87	-	Sandridge Energy 8.125% 2022	\$100,000	64	-
Rain CII Carbon 8% 2018	\$105,000	67	-	Saxon Asset Securities FRN 2035	\$85,028	49	-
Rali Series 5.75% 2036	\$690,521	359	0.1	Saxon Asset Securities Trust FRN 2033	\$102,367	58	-
Range Resources 5% 2022	\$14,000	8	-	SB Capital 4.95% 2017	\$200,000	128	0.1
Range Resources 5% 2023	\$23,000	14	-	SBA Telecommunications 5.75% 2020	\$203,000	128	0.1
Range Resources 5.75% 2021	\$15,000	10	-	Seacor Holdings 3% Convertible 2028	\$72,000	42	-
RASC Series Trust FRN 2036	\$50,786	30	-	Seagate HDD 3.75% 2018	\$75,000	46	-
RCN Television 8.5% 2020	\$50,000	31	-	Seagate HDD 4.75% 2023	\$32,000	19	-
Realogy 7.625% 2020	\$235,000	160	0.1	Seagate HDD 6.875% 2020	\$15,000	10	-
Regal Entertainment Group 5.75% 2023	\$50,000	30	-	Seagate HDD 7% 2021	\$15,000	10	-
Regal Entertainment Group 5.75% 2025	\$58,000	34	-	Sealed Air 5.25% 2023	\$15,000	9	-
Regal Entertainment Group 9.125% 2018	\$15,000	10	-	Sealed Air 6.5% 2020	\$15,000	10	-
Regency Energy Partners 4.5% 2023	\$17,000	9	-	Sealed Air 8.125% 2019	\$20,000	14	-
Regency Energy Partners 5.5% 2023	\$60,000	36	-	Sealed Air 8.375% 2021	\$250,000	174	0.1
Regency Energy Partners 6.5% 2021	\$30,000	19	-	Sears 6.625% 2018	\$15,000	8	-
Renaissance Home Equity Loan Trust 5.565% 2036	\$98,456	54	-	Securitized Asset Backed FRN 2035	\$230,353	126	0.1
Renaissance Home Equity Loan Trust 5.681% 2033	\$80,264	45	-	Securitized Asset Backed Mortgage FRN 2034	\$182,996	100	-
Renaissance Home Equity Loan Trust FRN Mar 2034	\$179,399	98	-	Securitized Asset Backed Receivables LLC FRN 2034	\$66,051	33	-
Renaissance Home Equity Loan Trust FRN Mar 2034 M-2F	\$37,549	19	-	Securitized Asset Backed Receivables LLC FRN 2035	\$228,308	130	0.1
Renaissance Home Equity Loan Trust FRN 2035	\$50,651	28	-	Semgroup 7.5% 2021	\$94,000	61	-
Residential Accredited Loans 5.5% 2035	\$48,445	29	-	Seminole Hard Rock 5.875% 2021	\$125,000	75	-
Residential Accredited Loans 6% 2035	\$77,653	41	-	Seneca Gaming 8.25% 2018	\$91,000	59	-
Residential Accredited Loans 6% 2036	\$228,879	111	0.1	Sensata Technologies 4.875% 2023	\$32,000	19	-
Residential Accredited Loans FRN Nov 2034 (US\$1.00)	\$110,588	64	-	Sensata Technologies 6.5% 2019	\$300,000	196	0.1
Residential Accredited Loans FRN Nov 2034	\$51,755	31	-	Serta Simmons 8.125% 2020	\$481,000	317	0.1
Residential Asset Mortgage 6.03% 2032	\$104,654	62	-	Service Corporation International 4.5% 2020	\$10,000	6	-
Residential Asset Securities FRN 2034	\$103,793	57	-	Service Corporation International 7% 2017	\$250,000	171	0.1
Residential Asset Securitization Trust 5% 2019	\$75,511	47	-	Service Corporation International 7% 2019	\$25,000	16	-
Residential Asset Securitization Trust 5.25% 2034	\$52,162	33	-	Service Corporation International 7.5% 2027	\$100,000	64	-
				Service Corporation International 8% 2021	\$30,000	21	-
				Service International 5.375% 2022	\$25,000	15	-
				Shearers Foods 9% 2019	\$10,000	7	-
				Shelf Drilling 8.625% 2018	\$15,000	10	-

Portfolio statement – continued

As at 31 January 2014

Investment	Holding	Market value		Total net assets %	Investment	Holding	Market value		Total net assets %
		£'000					£'000		
Shingle Springs Tribal Gaming 9.75% 2021	\$50,000	33	-		Talos Production 9.75% 2018	\$23,000	14	-	
Sinclair Broadcast Group 6.125% 2013	\$20,000	12	-		Targa Resources 4.25% 2023	\$150,000	82	-	
Sinclair Television Group 8.375% 2018	\$100,000	66	-		Targa Resources 6.375% 2022	\$42,000	27	-	
Sinclair Television Group 5.375% 2021	\$256,000	153	0.1		Targa Resources 6.875% 2021	\$45,000	29	-	
Sinclair Television Group 6.375% 2021	\$25,000	16	-		Taseko Mines 7.75% 2019	\$45,000	28	-	
Sirius XM Radio 4.25% 2020	\$316,000	179	0.1		Taylor Morrison 5.25% 2021	\$34,000	20	-	
Sirius XM Radio 4.625% 2023	\$41,000	22	-		Taylor Morrison 7.75% 2020	\$16,000	11	-	
Sirius XM Radio 5.25% 2022	\$40,000	25	-		Teekay 8.5% 2020	\$40,000	27	-	
Sirius XM Radio 5.75% 2021	\$71,000	43	-		Telesat 6% 2017	\$50,000	32	-	
Sirius XM Radio 5.875% 2020	\$35,000	22	-		Tempur Sealy International 6.875% 2020	\$125,000	83	-	
Sitel 11% 2017	\$17,000	11	-		Tenet Healthcare 4.375% 2021	\$46,000	27	-	
Sitel 11.5% 2018	\$79,000	45	-		Tenet Healthcare 4.5% 2021	\$46,000	27	-	
Six Flags Entertainment 5.25% 2021	\$125,000	75	-		Tenet Healthcare 4.75% 2020	\$300,000	182	0.1	
Skandinaviska Enskilda Banken 5.471% FRN Perpetual	\$100,000	62	-		Tenet Healthcare 6% 2020	\$163,000	105	0.1	
SM Energy 5% 2024	\$36,000	21	-		Tenet Healthcare 6.25% 2018	\$15,000	10	-	
SM Energy 6.5% 2021	\$100,000	65	-		Tenet Healthcare 6.75% 2020	\$350,000	222	0.1	
SM Energy 6.5% 2023	\$100,000	63	-		Tenet Healthcare 8% 2020	\$235,000	156	0.1	
SM Energy 6.625% 2019	\$90,000	58	-		Tenet Healthcare 8.125% 2022	\$253,000	168	0.1	
Smithfield Foods 5.25% 2018	\$151,000	96	-		Terex 6% 2021	\$165,000	104	0.1	
Smithfield Foods 5.875% 2021	\$15,000	9	-		Terex 6.5% 2020	\$150,000	98	-	
Smithfield Foods 7.75% 2017	\$116,000	82	-		Tesoro 4.25% 2017	\$4,000	3	-	
Societe Generale 7.875% FRN Perpetual	\$200,000	124	0.1		Tesoro 5.375% 2022	\$7,000	4	-	
Softbank Corp 4.5% 2020	\$200,000	120	0.1		Tesoro 5.875% 2020	\$457,000	284	0.1	
Speciality Underwriting & Resenditral Services FRN 2035	\$168,311	94	-		Tesoro 6.125% 2021	\$50,000	31	-	
Spectrum Brands 6.375% 2020	\$75,000	49	-		Texas Competitive Electric 11.5% 2020	\$10,000	4	-	
Spectrum Brands 6.625% 2022	\$123,000	80	-		Thermadyne 9% 2017	\$50,000	33	-	
Spectrum Brands 6.75% 2020	\$320,000	209	0.1		Time Warner Cable 6.75% 2018	\$30,000	21	-	
Speedy Cash 10.75% 2018	\$25,000	16	-		T-Mobile USA 5.25% 2018	\$27,000	17	-	
Sprint 7.125% 2024	\$46,000	28	-		T-Mobile USA 6.464% 2019	\$18,000	12	-	
Sprint 7.25% 2021	\$581,000	381	0.1		T-Mobile USA 6.633% 2021	\$170,000	109	0.1	
Sprint 7.875% 2023	\$478,000	311	0.1		T-Mobile USA 6.125% 2022	\$10,000	6	-	
Sprint Capital 6.9% 2019	\$11,000	7	-		T-Mobile USA 6.731% 2022	\$413,000	263	0.1	
Sprint Capital 8.75% 2032	\$815,000	537	0.2		T-Mobile USA 6.836% 2023	\$23,000	15	-	
Sprint Nextel 11.5% 2021	\$7,000	6	-		T-Mobile USA 6.5% 2024	\$10,000	6	-	
Sprint Nextel 6% 2016	\$52,000	34	-		Tops Holdings 8.875% 2017	\$80,000	53	-	
Sprint Nextel 6% 2022	\$110,000	66	-		Toys R Us 7.375% 2016	\$50,000	27	-	
Sprint Nextel 7% Mar 2020	\$90,000	62	-		Transdigm 5.5% 2020	\$60,000	36	-	
Sprint Nextel 7% Aug 2020	\$146,000	96	-		Transdigm 7.75% 2018	\$100,000	65	-	
Sprint Nextel 8.375% 2017	\$60,000	42	-		TransUnion 8.125% 2018	\$16,000	10	-	
Sprint Nextel 9% 2018	\$363,000	266	0.1		TransUnion 9.625% 2018	\$24,000	16	-	
Sprint Nextel 9.125% 2017	\$40,000	29	-		Trinidad Drilling 7.875% SNR 2019	\$170,000	111	0.1	
Stackpole 7.75% 2021	\$45,000	29	-		Trinseo Materials Operating 8.75% 2019	\$170,000	106	0.1	
Standard Pacific 10.75% 2016	\$10,000	7	-		Triumph Group 4.875% 2021	\$20,000	12	-	
Standard Pacific 8.375% 2018	\$40,000	28	-		Tronox Finance 6.375% 2020	\$70,000	43	-	
Standard Pacific 8.375% 2021	\$50,000	36	-		Tutor Perini 7.625% 2018	\$86,000	56	-	
State Oil 4.75% 2023	\$200,000	114	0.1		TW Telecom Holdings 5.375% 2022	\$100,000	60	-	
Station Casinos 7.5% 2021	\$75,000	49	-		UBS Preferred Funding Trust 6.243% FRN Perpetual	\$295,000	191	0.1	
Steel Dynamics 5.25% 2023	\$53,000	33	-		UCI International 8.625% 2019	\$50,000	30	-	
Steel Dynamics 6.125% 2019	\$9,000	6	-		Ultra Petroleum 5.75% 2018	\$85,000	53	-	
Steel Dynamics 6.375% 2022	\$9,000	6	-		Ultrapetrol 8.875% Jun 2021	\$100,000	65	-	
Steel Dynamics 7.625% 2020	\$25,000	16	-		Ultrapetrol 8.875% Jun 2021 (US\$1,000)	\$7,000	5	-	
Stone Energy 7.5% 2022	\$238,000	153	0.1		Unifrax 7.5% 2019	\$35,000	22	-	
Stream Global 11.25% 2014	\$8,000	5	-		Unisys Corporation 6.25% 2017	\$23,000	15	-	
Structured Asset Investment Loan Trust FRN Apr 2033	\$34,076	20	-		Unit 6.625% 2021	\$225,000	144	0.1	
Structured Asset Investment Loan Trust FRN 2033 BC7	\$489,084	283	0.1		United Rentals 5.75% 2018	\$8,000	5	-	
Structured Asset Investment Loan Trust FRN Sep 2034	\$39,548	21	-		United Rentals 6.125% 2023	\$149,000	94	-	
Structured Asset Investment Loan Trust FRN 2035	\$190,000	107	0.1		United Rentals 7.375% 2020	\$12,000	8	-	
Structured Asset Investment Loan Trust FRN Feb 2034 M1	\$259,715	150	0.1		United Rentals 7.625% 2022	\$446,000	305	0.1	
Structured Asset Investment Loan Trust FRN Feb 2034 M2	\$53,351	31	-		United Rentals 8.375% 2020	\$115,000	78	-	
Structured Asset Investment Loan Trust FRN Jul 2034	\$746,599	426	0.2		United States Steel 0.25% 2015	\$435,000	265	0.1	
Structured Asset Investment Loan Trust FRN Oct 2034	\$100,334	58	-		United States Steel 7% 2018	\$50,000	33	-	
Structured Asset Securities 5.5% 2035	\$42,041	26	-		United Surgical Partners 9% 2020	\$195,000	133	0.1	
Structured Asset Securities FRN 2034	\$602,308	380	0.1		Univision Communications 5.125% 2023	\$100,000	60	-	
Studio City Finance 8.5% 2020	\$250,000	169	0.1		Univision Communications 6.75% 2022	\$275,000	183	0.1	
Suburban Propane Partners 7.375% SNR 2021	\$4,000	3	-		Univision Communications 7.875% 2020	\$90,000	60	-	
Summit Midstream Partners 7.5% 2021	\$43,000	28	-		Univision Communications 8.5% 2021	\$20,000	13	-	
Sungard Data Systems 6.625% 2019	\$46,000	29	-		UPCB Finance 6.875% 2022	\$300,000	195	0.1	
Sungard Data Systems 7.375% 2018	\$100,000	64	-		UPCB Finance 7.25% 2021	\$150,000	99	-	
Sungard Data Systems 7.625% 2020	\$127,000	85	-		UPCB Finance III 6.625% 2020	\$150,000	96	-	
SUPERVALU 8% 2016	\$100,000	67	-		US Airways 3.95% 2027	\$10,000	6	-	
Swift Energy 7.875% 2022	\$41,000	25	-		US Airways 5.375% 2023	\$105,000	63	-	
Swift Energy 8.875% 2020	\$50,000	32	-		US Concrete 8.5% 2018	\$25,000	16	-	
Swiss Re 6.854% FRN Perpetual	\$100,000	65	-		US West Capital Funding 6.875% 2028	\$6,000	3	-	
					US West Communications 7.25% 2025	\$15,000	10	-	
					USG 7.875% 2020	\$2,000	1	-	
					USG 5.875% 2021	\$27,000	17	-	
					Vail Resorts 6.5% 2019	\$425,000	272	0.1	
					Valassis Communications 6.625% 2021	\$70,000	43	-	
					Valeant Pharmaceuticals 6.75% 2021	\$290,000	188	0.1	
					Valeant Pharmaceuticals 6.875% 2018	\$50,000	32	-	
					Valeant Pharmaceuticals 7% 2020	\$300,000	196	0.1	
					Valeant Pharmaceuticals 7.25% 2022	\$115,000	76	-	

Portfolio statement – continued

As at 31 January 2014

Investment	Holding	Market value £'000	Total net assets %	Investment	Holding	Market value £'000	Total net assets %
Valent Pharmaceuticals 5.625% 2021	\$90,000	57	-	Government bonds – 5.5% (5.2%)			
Vanguard Natural Resources 7.875% 2020	\$28,000	18	-	Direct – 5.3%			
Viasystems 7.875% 2019	\$29,000	19	-	Argentina 8.28% 2033	\$93,395	50	-
Videotron 5% 2022	\$50,000	30	-	Aruba 4.625% 2023	\$200,000	115	0.1
Viking Cruises 8.5% 2022	\$80,000	55	-	Brazil 11% 2040	\$565,000	390	0.1
Virgin Media Finance 8.375% 2019	\$34,000	22	-	Buenos Aires 11.75% 2015	\$200,000	106	0.1
Visteon 6.75% 2019	\$60,000	38	-	Buenos Aires 10.875% 2021	\$170,000	76	-
Volt 3.625% 2053	\$658,226	398	0.2	Chile 6% 2022	\$40,000,000	44	-
Volt FRN 2016	\$203,574	124	0.1	Costa Rica 9.995% 2020	\$362,000	277	0.1
Volt FRN 2058	\$196,830	120	0.1	Croatia 6.25% 2017	\$200,000	129	0.1
Volt XIX FRN 2055	\$304,250	184	0.1	Dominican Republic 9.04% 2018	\$32,016	21	-
VPI Escrow 6.375% 2021	\$120,000	78	-	Dominican Republic 9.04% 2018 Reg 5	\$505,976	336	0.1
VPI Escrow 6.75% 2018	\$138,000	92	-	Dominican Republic 5.875% 2024	\$100,000	58	-
VPI Escrow 7.5% 2021	\$544,000	369	0.1	El Salvador 7.75% 2023	\$180,000	117	0.1
Vulcan Materials 7.5% 2021	\$390,000	273	0.1	Ghana 8.5% 2017	\$330,000	209	0.1
VWR Funding 7.25% 2017	\$65,000	42	-	Hungary 7.5% 2020	\$20,700,000	60	-
W & T Offshore 8.5% 2019	\$90,000	59	-	Hungary 6.375% 2021	\$40,000	26	-
Wachovia Capital Trust I 5.8% 2042	\$1,083,000	615	0.2	Hungary 5.75% 2023	\$170,000	103	-
Water Jet Holding 7.625% 2020	\$12,000	7	-	Hungary 7.625% 2041	\$372,000	244	0.1
Walter Investment Management 7.875% 2021	\$53,000	33	-	Indonesia 11.625% 2019	\$600,000	481	0.2
WAMU Mortgage FRN 2034	\$191,928	116	0.1	Iraq 5.8% 2028#	\$750,000	383	0.1
WAMU Mortgage FRN May 2035	\$150,000	88	-	Italy 4.25% 2020	\$835,000	743	0.3
WAMU Mortgage FRN Dec 2035	\$57,180	32	-	Italy 4.5% 2023	\$1,198,000	1,053	0.4
Washington Mutual Mortgage 5.5% Mar 2035	\$134,095	80	-	Italy 4.75% 2023	\$946,000	848	0.3
Washington Mutual Alternative 5.5% Jun 2035	\$98,794	59	-	Italy 4.75% 2028	\$655,000	574	0.2
Washington Mutual Mortgage 5.75% 2035#	\$87924	50	-	Mexico 10% FRN 2036	\$5,200	29	-
Watco 6.375% 2023	\$69,000	41	-	Mexico 7.75% 2031	\$5,000	23	-
WCI Communities 6.875% 2021	\$55,000	33	-	Mexico 8% 2020	\$8,000	40	-
Wells Enterprises 6.75% 2020	\$71,000	44	-	Philippines 10.625% 2025	\$274,000	256	0.1
Wells Fargo 'A' 7.98% FRN Perpetual	\$1,695,000	1,164	0.4	Portugal 3.35% 2015	\$267,500	226	0.1
Wells Fargo Home Equity FRN 2033 8A	\$26,001	14	-	Portugal 4.2% 2016	\$500,000	429	0.2
Wells Fargo Home Equity FRN 2033	\$26,001	14	-	Portugal 4.35% 2017	\$182,000	156	0.1
Wells Fargo Home Equity 1.3953% 2034	\$86,095	42	-	Portugal 4.75% 2019	\$449,000	382	0.1
Wells Fargo Home Equity FRN 2034 M2	\$38,437	20	-	Romania 6.75% 2022	\$696,000	479	0.2
Wells Fargo Home Equity FRN 2034	\$177,374	99	-	Romania 6.125% 2044	\$60,000	36	-
Wells Fargo Mortgage Backed Securities Trust 5.250% 2036	\$91,671	57	-	Russia 12.75% 2028	\$515,000	526	0.2
Wells Fargo Mortgage Backed Securities Trust 5.5% 2035	\$39,877	26	-	Russia 5.875% 2043	\$200,000	121	0.1
Wells Fargo Mortgage Backed Securities Trust 5.75% 2036	\$305,000	193	0.1	Serbia 7.25% 2021	\$500,000	320	0.1
Wells Fargo Mortgage Backed Securities Trust 6% Mar 2037	\$32,631	19	-	Slovenia 5.85% 2023	\$300,000	186	0.1
Wells Fargo Mortgage Backed Securities Trust 6% Nov 2037	\$67,796	41	-	South Africa 4.665% 2024	\$100,000	57	-
Wells Fargo Mortgage Backed Securities Trust FRN 2034	\$57,340	36	-	South Africa 10.5% 2027	\$495,000	30	-
Wells Fargo Mortgage Backed Securities Trust FRN 2035	\$310,440	192	0.1	Spain 4% 2020	\$753,000	665	0.2
Wells Fargo Mortgage Backed Securities Trust FRN 2035 AR4	\$52,459	32	-	Spain 4.85% 2020	\$952,000	875	0.3
Wells Fargo Mortgage Backed Securities Trust FRN 2035 AR8	\$300,404	186	0.1	Spain 5.4% 2023	\$1,923,000	1,803	0.7
Wells Fargo Mortgage Backed Securities Trust FRN 2035 DD	\$32,823	20	-	Sri Lanka 6.25% 2020	\$100,000	61	-
Wells Fargo Mortgage Backed Securities Trust FRN Jan 2035	\$749,688	460	0.2	Turkey 6% 2041	\$200,000	110	0.1
Wells Fargo Mortgage Backed Securities Trust FRN Mar 2035	\$210,343	127	0.1	Ukraine 9.25% 2017	\$220,000	126	0.1
Wells Fargo Mortgage Backed Securities Trust FRN 2036	\$264,762	159	0.1	Uruguay 8% 2022	\$80,000	60	-
Western Refining 6.25% 2021	\$53,000	33	-	Uruguay 7.625% 2036	\$60,000	44	-
WEX 4.75% 2023	\$14,000	8	-	Venezuela 12.75% 2022	\$250,000	128	0.1
Whiting Petroleum 5% 2019	\$85,000	53	-	Venezuela 7.65% 2025	\$330,000	120	0.1
Whiting Petroleum 5.75% 2021	\$350,000	223	0.1	Credit linked – 0.2%			
William Carter 5.25% 2021	\$42,000	26	-	Citigroup Funding Brazil Linked 0% Jan 2017	\$350,000	147	0.1
Windstream 7.75% 2020	\$219,000	142	0.1	Citigroup Funding Brazil Linked 0% 2017	\$240,000	101	-
Windstream 7.75% 2021	\$690,000	441	0.2	Citigroup Funding Nigeria Linked FRN 2022	\$200,000	112	0.1
Windstream 8.125% 2018	\$25,000	16	-	Convertible bonds – 3.2% (2.8%)			
WMG Acquisition 6% 2021	\$258,000	162	0.1	US Dollar – 2.3%			
Wok Acquisition 10.25% 2020	\$40,000	26	-	Agile Property 4% Convertible 2016	\$300,000	182	0.1
World Wide Supply 7.75% 2017	\$30,000	18	-	Annaly Capital Management 5% Convertible 2015	\$276,000	171	0.1
WPX Energy 5.25% 2017	\$40,000	26	-	Ares Capital 4.375% Convertible 2019	\$315,000	202	0.1
WPX Energy 6% 2022	\$405,000	245	0.1	Capitaland 1.85% Convertible 2020	\$500,000	214	0.1
Zayo Group 10.125% 2020	\$60,000	42	-	Centerpoint Energy FRN Convertible 2029	\$1,300	41	-
Zayo Group 8.125% 2020	\$50,000	34	-	Chesapeake Energy 2.25% Covertible 2038	\$217,000	123	0.1
Euro – 0.1%				Chesapeake Energy 2.5% Convertible 2037	\$143,000	88	-
Unity Media 5.5% 2023	€200,000	122	0.1	China Hongqiao Group 6.5% Convertible 2017	\$200,000	128	0.1
Sterling – 0.1%				Colony Financial 5% Convertible 2023	\$324,000	206	0.1
New Look 8.75% 2018	£100,000	107	0.1	Detour Gold 5.5% Convertible 2017	\$218,000	114	0.1
				Holdgrove 1% Convertible 2017	\$400,000	240	0.1
				Intel 2.95% Convertible 2035	\$344,000	232	0.1
				Jaiprakash Power Ventures 5% Convertible 2015	\$200,000	117	0.1
				Paladin Energy 3.625% Convertible 2015	\$200,000	108	0.1
				Peabody Energy 4.75% Convertible 2041	\$396,000	189	0.1
				Polarcus 2.875% Convertible 2016	\$200,000	116	0.1
				Prospect Capital 5.375% Convertible 2017	\$50,000	32	-
				Redwood Trust 4.625% Convertible 2018	\$334,000	208	0.1
				RM OPCO 1.12% Convertible 2018#	\$10,182	6	-
				Royal Gold 2.875% Convertible 2019	\$212,000	129	0.1
				Salamander Energy 5% Convertible 2015	\$100,000	61	-
				Sesa Goa 5% Convertible 2014	\$200,000	121	0.1
				SGL Carbon 2.75% Convertible 2018	\$200,000	169	0.1

Portfolio statement – continued

As at 31 January 2014

Investment	Holding	Market value £'000	Total net assets %
Ship Finance International 3.25% Convertible 2018	\$82,000	53	-
Ship Finance International 3.75% Convertible 2016	\$100,000	63	-
Starwood Property Trust 4.55% Convertible 2018	\$268,000	186	0.1
Sterlite Industries 4% Convertible 2014	\$317,000	191	0.1
Tata Steel 4.5% Convertible 2014	\$300,000	184	0.1
TMK 5.25% Convertible 2015	\$400,000	245	0.1
Vedanta Res Jersey 5.5% Convertible 2016	\$300,000	184	0.1
Euro – 0.9%			
Abengoa 4.5% Convertible 2017	£350,000	292	0.1
Acciona 3% Convertible 2019	£200,000	163	0.1
Air France - KLM 2.03% Convertible 2023	£3,674,800	354	0.1
Amorim Energia BV 3.375% Convertible 2018	£100,000	87	-
Astaldi 4.5% Convertible 2019	£100,000	93	-
Beni Stabili Spa 2.625% Convertible 2019	£100,000	84	-
Caixabank 4.5% Convertible 2016	£200,000	161	0.1
CGG 1.75% Convertible 2016	£370,900	83	-
Hungarian National Asset Management 3.375% Convertible 2019	£200,000	174	0.1
Kloekner 2.5% Convertible 2017	£50,000	40	-
NH Hotels 4% Convertible 2018	£100,000	96	-
Nexan 2.5% Convertible 2019	£140,200	84	-
Nyrstar 7% Convertible 2014	£100,000	83	-
OHL Investments 4% Convertible 2018	£300,000	255	0.1
Peugeot 4.45% Convertible 2016	£1,294,000	284	0.1
Rallye 1% Convertible 2020	£25,500	23	-
Soitec 6.75% Convertible 2018	£1,463,300	25	-
Steinhoff Finance 4.5% Convertible 2018	£200,000	189	0.1
Volkswagen 5.5% Convertible 2015	£200,000	188	0.1
Forward currency contracts – 0.4% ((1.4)%)			
Australian Dollar – 0.1%			
Sell AUD 10,238,266 buy \$9,124,158 dated 14/02/14		130	0.1
Canadian Dollar – 0.00%			
Sell CAD 3,619,173 buy \$3,343,514 dated 14/02/14		68	-
Danish Krone – 0.0%			
Sell DKK 10,437,924 buy \$1,900,929 dated 14/02/14		3	-
Euro – 0.1%			
Sell €333,901 buy \$275,399 dated 14/02/14		(1)	-
Sell €41,904,350 buy \$56,951,360 dated 14/02/14		106	0.1
Hong Kong Dollar – 0.0%			
Sell HKD 80,101,942 buy \$10,330,256 dated 14/02/14		8	-
Japanese Yen – (0.1)%			
Sell ¥1,302,326,725 buy \$12,461,944 dated 14/02/14		(169)	(0.1)
Norwegian Krone – 0.0%			
Sell NOK 6,925,753 buy \$1,114,906 dated 14/02/14		8	-
Singapore Dollar – 0.0%			
Sell SGD 6,032,645 buy \$4,745,611 dated 14/02/14		17	-
Swedish Krona – 0.0%			
Sell SEK 36,043,319 buy \$5,493,764 dated 14/02/14		(6)	-
Swiss Franc – 0.0%			
Sell CHF 7,600,017 buy \$8,352,741 dated 14/02/14		(43)	-
US Dollar – 0.3%			
Buy \$1,316,289 sell £794,140 dated 14/02/14		6	-
Buy \$3,336,136 sell £2,038,901 dated 14/02/14		(12)	-
Sell \$1,173,014 buy AUD 1,338,672 dated 14/02/14		(5)	-
Sell \$3,133,525 buy €2,316,822 dated 14/02/14		3	-
Sell \$2,188,587 buy €1,601,695 dated 14/02/14		(11)	-
Sell \$1,308,040 buy SGD 1,674,082 dated 14/02/14		1	-
Sell \$3,89,613,799 buy £237,416,749 dated 14/02/14		689	0.3
Futures – 0.0% (0.0%)			
Euro Stoxx 50 Futures Mar 2014	1	(1)	-
FTSE 100 Index Futures Mar 2014	1	(1)	-
US 5 Year Treasury Note Futures Mar 2014	(441)	(105)	-
Investment assets (including investment liabilities)		269,008	97.4
Net other assets		7,195	2.6
Net assets		276,203	100.0

Unless otherwise stated the above securities are admitted to official stock exchange listings or trade on a regulated market.

The comparative percentage figures in brackets are at 31 January 2013.

Unquoted security

^ Deemed to be investment in related parties of the ACD

Portfolio credit ratings	Market value £'000
A	300
A-	536
A+	1,052
AA-	1,649
AA+	1,793
AAA	16
B	11,479
B-	10,288
B+	11,386
B1	32
B2	746
B3	255
Ba1	181
Ba2	238
Ba3	176
Baa1	128
Baa2	1,627
Baa3	336
BB	13,617
BB-	14,585
BB+	14,954
BBB	6,506
BBB-	7,040
BBB+	5,666
Caa1	128
Caa2	473
Caa3	25
CC	1,309
CCC	6,478
CCC-	118
CCC+	6,497
D	996
Unrated	11,289
WR	13
Total bonds	131,912
Equities	136,411
Forward currency contracts	792
Futures	(107)
Investment assets (including investment liabilities)	269,008

Counterparty exposure

Counterparty	Forward currency contracts £'000	Total £'000
ANZ Banking	130	130
Barclays	661	661
BNP Paribas	(169)	(169)
CitiBank	(43)	(43)
Credit Suisse	90	90
Deutsche Bank	4	4
Goldman Sachs	(2)	(2)
HSBC	94	94
Morgan Stanley	13	13
State Street	14	14

At the balance sheet date, there was no collateral received by the fund from the above counterparties.

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.

Portfolio movements

For the year ending 31 January 2014

	£'000		£'000
Total of all purchases for the year (Note 10)	266,177	Total of all sales for the year (Note 10)	94,967
Major purchases	Cost	Major sales	Proceeds
Cisco Systems	2,408	Centrica	1,636
Vodafone Group	2,287	Allianz	1,551
Toyota Motor	2,119	Williams Companies	1,498
Spain 5.4% 2023	2,112	Sanofi	1,352
Seven & I	2,106	Philip Morris International	1,315
Australia & New Zealand Bank Group	2,036	Nippon Telegraph & Telephone	1,308
Microsoft	1,990	GDF Suez	1,304
Unibail-Rodamco	1,869	Nissan Motor	1,292
Sumitomo Mitsui Financial Group	1,866	Emerson Electric	1,192
McDonald's	1,826	TOTAL S.A.	1,131
Bank of Montreal	1,814	Australia & New Zealand Bank Group	1,121
Royal Dutch Shell 'A'	1,740	Chevron	1,106
Swiss Re	1,710	Pfizer	1,103
Deutsche Telekom	1,674	China Construction Bank 'H'	1,068
ENI	1,666	Merck & Co	982
ConocoPhillips	1,647	Unilever	964
GDF Suez	1,641	Xcel Energy	933
Time Warner	1,632	Perusahaan Gas Negara	931
AstraZeneca	1,614	Kabel Deutschland	928
Applied Materials	1,559	Spain 4% 2020	885

Financial statements

Statement of total return

For the year ending 31 January

	2014	2013
£'000	£'000	£'000
Income		
Net capital gains (Note 1)	870	7,155
Revenue (Note 2)	10,067	4,098
Expenses (Note 3)	(1,632)	(789)
Net revenue before taxation	8,435	3,309
Taxation (Note 4)	(1,232)	(553)
Net revenue after taxation	7,203	2,756
Total return before distributions	8,073	9,911
Finance costs: Distributions (Note 5)	(8,282)	(3,292)
Change in net assets attributable to shareholders from investment activities	(209)	6,619

Statement of change in net assets attributable to shareholders

For the year ending 31 January

	2014	2013
£'000	£'000	£'000
Opening net assets attributable to shareholders	117,673	50,740
Amounts receivable on issue of shares	163,599	63,285
Amounts payable on cancellation of shares	(11,218)	(4,649)
	152,381	58,636
Change in net assets attributable to shareholders from investment activities (see above)	(209)	6,619
Retained distributions on accumulation shares	6,367	1,680
Stamp duty reserve tax	(9)	(2)
Closing net assets attributable to shareholders	276,203	117,673

Balance sheet

As at 31 January

	2014	2013
£'000	£'000	£'000
ASSETS		
Investment assets	269,362	109,054
Debtors (Note 7)	7,320	20,955
Cash and bank balances (Note 8)	6,082	2,767
Total other assets	13,402	23,722
Total assets	282,764	132,776
LIABILITIES		
Investment liabilities	(354)	(1,785)
Creditors (Note 9)	(5,579)	(12,852)
Distribution payable on income shares	(628)	(466)
Total other liabilities	(6,207)	(13,318)
Total liabilities	(6,561)	(15,103)
Net assets attributable to shareholders	276,203	117,673

The notes to these financial statements are shown on pages 219 to 222.

Notes to the financial statements for the year ending 31 January 2014

1. Net capital gains

	2014	2013
	£'000	£'000
Currency (losses)/gains	(4,367)	719
Derivative contracts	(310)	(191)
Forward currency contracts	17,487	(1,057)
Non-derivative securities	(11,940)	7,684
Net capital gains	<u>870</u>	<u>7,155</u>

2. Revenue

	2014	2013
	£'000	£'000
Franked income from UK equity investments	383	112
Income from overseas equity investments	4,113	995
Interest on bank and term deposits	4	3
Interest on fixed-interest securities	5,446	2,617
Option income	94	176
Property income distributions	21	194
Stock dividends	6	1
Total revenue	<u>10,067</u>	<u>4,098</u>

3. Expenses

	2014	2013
	£'000	£'000
Payable to the ACD or associate of the ACD:		
ACD fee	1,357	680
Fixed expenses	274	109
	<u>1,631</u>	<u>789</u>
Payable to third parties:		
Professional fees	1	-
Total expenses	<u>1,632</u>	<u>789</u>

4. Taxation

	2014	2013
	£'000	£'000
a) Analysis of charge in the year		
Corporation tax at 20%	872	440
Double tax relief	(35)	(17)
Overseas tax suffered	395	135
Taxable gain on offshore funds	-	(5)
Current year tax charge (Note 4b)	<u>1,232</u>	<u>553</u>

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	8,435	3,309
Corporation tax at 20%	<u>1,687</u>	<u>662</u>
Effects of:		
Dividends not subject to corporation tax	(815)	(222)
Double tax relief	(35)	(17)
Overseas tax suffered	395	135
Taxable gain on offshore funds	-	(5)
	<u>(455)</u>	<u>(109)</u>
Current year tax charge (Note 4a)	<u>1,232</u>	<u>553</u>

5. Finance costs

Distributions

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

	2014	2013
	£'000	£'000
First interim dividend distribution	2,046	719
Second interim dividend distribution	2,645	921
Third interim dividend distribution	2,178	959
Final dividend distribution	2,289	903
Add: Amounts payable on cancellation of shares	51	39
Deduct: Amounts receivable on issue of shares	(927)	(249)
Total finance costs	<u>8,282</u>	<u>3,292</u>

Details of the distribution per share are set out on pages 223 to 226.

6. Movement between net revenue after taxation and distributions

	2014	2013
	£'000	£'000
Net revenue after taxation	7,203	2,756
Add: ACD fee (net of tax relief) paid from capital	1,086	544
Add: Tax on capital offshore gains	12	(5)
Add: Undistributed revenue brought forward	5	2
Deduct: Undistributed revenue carried forward	(23)	(5)
Equalisation on conversions	(1)	-
	<u>8,282</u>	<u>3,292</u>

7. Debtors

	2014	2013
	£'000	£'000
Accrued income	2,038	882
Due from the ACD for shares created	2,781	19,801
Income tax recoverable	2	-
Overseas tax recoverable	99	56
Sales awaiting settlement	2,400	216
Total debtors	<u>7,320</u>	<u>20,955</u>

8. Cash and bank balances

	2014	2013
	£'000	£'000
Amounts held at futures clearing houses and brokers	79	223
Cash and bank balances	6,003	2,544
Total cash and bank balances	<u>6,082</u>	<u>2,767</u>

9. Creditors

	2014	2013
	£'000	£'000
Accrued expenses	156	92
Corporation tax payable	447	208
Due to the ACD for shares cancelled	258	629
Purchases awaiting settlement	4,718	11,923
Total creditors	<u>5,579</u>	<u>12,852</u>

Notes to the financial statements – continued

10. Portfolio transaction costs

	2014 £'000	2013 £'000
Analysis of total purchase costs		
Purchases in year before transaction costs	265,940	84,757
Commissions	102	27
Taxes	135	29
Total purchase costs	237	56
Gross purchases total	266,177	84,813
Analysis of total sale costs		
Gross sales before transaction costs	95,025	32,820
Commissions	(50)	(13)
Taxes	(8)	(2)
Total sale costs	(58)	(15)
Total sales net of transaction costs	94,967	32,805

11. 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 £2,368,078 (31.01.13: £19,078,873). Details of related party transactions are given under note 13 on page 413.

Investments considered to be related parties have been identified in the portfolio statement on pages 205 to 216 and the revenue from these investments was £nil (31.01.13: £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 £2,670 (31.01.13: £1,477). 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 41.73% (31.01.13: 15.84%)

12. 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.

Currency	Net foreign currency assets/(liabilities)		
	Total £'000	Monetary exposures £'000	Non-monetary exposures £'000
31.01.14			
US Dollar	174,458	4,553	169,905
Euro	31,306	358	30,948
Japanese Yen	7,996	(822)	8,818
Hong Kong Dollar	6,403	339	6,064
Australian Dollar	6,155	864	5,291
Swiss Franc	5,939	(25)	5,964
Swedish Krona	4,273	3	4,270
Taiwan Dollar	3,375	551	2,824
Canadian Dollar	2,693	91	2,602
Singapore Dollar	2,352	29	2,323
South African Rand	1,916	4	1,912
Danish Krone	1,619	13	1,606
Brazilian Real	1,268	5	1,263
Norwegian Krone	1,105	22	1,083
Turkish Lira	786	59	727
Korean Won	754	19	735
Thailand Baht	666	-	666
Indonesian Rupiah	574	-	574
Mexican Peso	314	6	308
Qatari Riyal	306	-	306
Polish Zloty	293	5	288
Indian Rupee	291	-	291
Arab Emirates Dirham	151	-	151
Malaysian Ringgit	93	-	93
Hungarian Forint	65	5	60
Chilean Peso	44	-	44
31.01.13			
US Dollar	1,361	(73,163)	74,524
South African Rand	1,196	(454)	1,650
Taiwan Dollar	1,118	187	931
Brazilian Real	1,057	(298)	1,355
Indonesian Rupiah	525	(170)	695
Australian Dollar	431	(1,865)	2,296
Japanese Yen	411	(3,435)	3,846
Turkish Lira	356	(74)	430
Swedish Krona	342	(625)	967
Thailand Baht	327	-	327
Norwegian Krone	269	(151)	420
Polish Zloty	230	(98)	328
Canadian Dollar	198	(334)	532
Singapore Dollar	195	(1,291)	1,486
Indian Rupee	191	(95)	286
Hong Kong Dollar	190	(3,557)	3,747
Swiss Franc	176	(1,570)	1,746
Euro	174	(6,868)	7,042
New Zealand Dollar	170	(117)	287
Korean Won	167	(119)	286
Mexican Peso	139	1	138
Malaysian Ringgit	121	-	121
Qatari Riyal	94	(47)	141
Chinese Renminbi	21	-	21

Notes to the financial statements – continued

Interest rate risk

The tables below detail the interest rate profile of the Fund's assets and liabilities as at the year end.

Currency	Total assets £'000	Floating rate financial assets £'000	Fixed rate financial assets £'000	Financial assets not carrying any interest £'000
31.01.14				
US Dollar	177,756	20,828	103,683	53,245
Euro	31,680	-	10,595	21,085
UK Sterling	22,497	340	107	22,050
Japanese Yen	8,679	1	-	8,678
Australian Dollar	6,490	4	-	6,486
Hong Kong Dollar	6,403	34	-	6,369
Swiss Franc	5,967	16	-	5,951
Swedish Krona	4,273	-	-	4,273
Taiwan Dollar	3,375	540	-	2,835
Canadian Dollar	2,693	-	-	2,693
Singapore Dollar	2,352	-	214	2,138
South African Rand	1,916	3	30	1,883
Danish Krone	1,619	-	-	1,619
Brazilian Real	1,268	-	-	1,268
Norwegian Krone	1,105	-	-	1,105
Turkish Lira	786	59	-	727
Korean Won	754	-	-	754
Thailand Baht	666	-	-	666
Indonesian Rupiah	574	-	-	574
Qatari Riyal	306	-	-	306
Mexican Peso	314	5	92	217
Polish Zloty	293	-	-	293
Indian Rupee	291	-	-	291
Arab Emirates Dirham	151	-	-	151
Malaysian Ringgit	93	-	-	93
Hungarian Forint	65	4	60	1
Chilean Peso	44	-	44	-
31.01.13				
UK Sterling	110,259	503	106	109,650
US Dollar	8,467	8,725	50,870	(51,128)
South African Rand	1,759	-	-	1,759
Brazilian Real	1,357	-	-	1,357
Taiwan Dollar	1,118	187	-	931
Hong Kong Dollar	862	-	-	862
Japanese Yen	830	1	-	829
Euro	812	-	825	(13)
Indonesian Rupiah	695	-	-	695
Australian Dollar	634	-	212	422
Turkish Lira	466	2	-	464
Swedish Krona	428	1	-	427
Norwegian Krone	396	-	-	396
Singapore Dollar	392	-	-	392
Canadian Dollar	350	2	-	348
Swiss Franc	337	-	-	337
Polish Zloty	333	4	-	329
Thailand Baht	327	-	-	327
Korean Won	291	-	-	291
Indian Rupee	286	-	-	286
New Zealand Dollar	170	-	-	170
Qatari Riyal	141	-	-	141
Mexican Peso	139	1	-	138
Malaysian Ringgit	121	-	-	121
Chinese Renminbi	21	-	21	-

The floating rate financial assets comprise investment in variable interest rate paying corporate debt and bank balances that bear interest at rates based on LIBOR or its overseas equivalent.

Currency	Total liabilities £'000	Floating rate financial liabilities £'000	Financial liabilities not carrying any interest £'000
31.01.14			
US Dollar	3,403	-	3,403
UK Sterling	1,491	-	1,491
Japanese Yen	683	-	683
Euro	374	-	374
Australian Dollar	335	-	335
Swiss Franc	28	-	28
31.01.13			
US Dollar	7,106	-	7,106
UK Sterling	2,045	-	2,045
Hong Kong Dollar	672	-	672
Euro	638	-	638
South African Rand	563	-	563
Japanese Yen	419	-	419
Brazilian Real	300	-	300
Australian Dollar	203	-	203
Singapore Dollar	197	-	197
Indonesian Rupiah	170	-	170
Swiss Franc	161	-	161
Canadian Dollar	152	-	152
Norwegian Krone	127	-	127
Korean Won	124	-	124
Turkish Lira	110	-	110
Polish Zloty	103	-	103
Indian Rupee	95	-	95
Swedish Krona	86	-	86
Qatari Riyal	47	-	47

Currency	Fixed rate financial assets	Weighted average interest rate	Weighted average period for which rate is fixed (years)
31.01.14			
South African Rand		8.9%	12.9
Mexican Peso		7.5%	14.3
UK Sterling		6.2%	4.3
Hungarian Forint		5.5%	6.8
US Dollar		5.3%	10.8
Singapore Dollar		3.5%	6.4
Euro		2.9%	6.9
31.01.13			
US Dollar		5.3%	10.7
Australian Dollar		2.0%	3.6
Euro		1.9%	3.6
UK Sterling		1.8%	1.7

For consideration of other risks including liquidity, pricing and credit risk, please refer to the notes to the aggregated financial statements, pages 413 to 414.

Notes to the financial statements – continued

13. 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 fixed expenses charge are shown below.

	ACD fee	Fixed expenses
Class A shares:	1.25%	0.18%
Class B shares:	0.80%	0.18%
Class C shares:	0.65%	0.18%
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 page 204. All classes have the same rights on winding up.

14. Derivatives

The Fund enters into derivative transactions in the form of forward currency contracts, futures and options. The Fund may use derivatives for investment purposes or efficient portfolio management including hedging, where appropriate.

The Investment Adviser assesses the market risk of the Fund's investments, including derivative exposure, using Monte Carlo 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 & 500 days of history. As at the balance date the VaR was 3.29%.

The effective observation period changed to 500 days from 31/10/2012 onwards due to a change to a new VaR calculation process.

Further information on the derivative risks can be found in the notes to the aggregated financial statements on page 414.

15. Contingent liabilities and capital commitments

At the year end date the Fund had the following contingent liabilities:

	2014	2013
	£'000	£'000
Warrants	6	-

Distribution tables

Final distribution in pence per share

Group 1 – Shares purchased prior to 1 November 2013

Group 2 – Shares purchased 1 November 2013 to 31 January 2014

	Gross revenue	Tax at 10%	Net revenue	Equalisation	Distribution payable 30.04.14	Distribution paid 30.04.13
A-Class Accumulation Shares						
Group 1	0.711111	0.071111	0.640000	-	0.640000	0.680000
Group 2	0.286924	0.028692	0.258232	0.381768	0.640000	0.680000
A-Class Income Shares						
Group 1	0.577778	0.057778	0.520000	-	0.520000	0.570000
Group 2	0.277480	0.027748	0.249732	0.270268	0.520000	0.570000
B-Class Accumulation Shares						
Group 1	0.711111	0.071111	0.640000	-	0.640000	0.680000
Group 2	0.200437	0.020044	0.180393	0.459607	0.640000	0.680000
B-Class Income Shares						
Group 1	0.577778	0.057778	0.520000	-	0.520000	0.560000
Group 2	0.225212	0.022521	0.202691	0.317309	0.520000	0.560000
C-Class Accumulation Shares						
Group 1	1.055556	0.105556	0.950000	-	0.950000	0.990000
Group 2	0.487708	0.048771	0.438937	0.511063	0.950000	0.990000
C-Class Income Shares						
Group 1	1.000000	0.100000	0.900000	-	0.900000	0.980000
Group 2	0.426463	0.042646	0.383817	0.516183	0.900000	0.980000
X-Class Accumulation Shares						
Group 1	0.988889	0.098889	0.890000	-	0.890000	0.020000
Group 2	0.439634	0.043963	0.395671	0.494329	0.890000	0.020000
X-Class Income Shares						
Group 1	1.100000	0.110000	0.990000	-	0.990000	1.060000
Group 2	0.338621	0.033862	0.304759	0.685241	0.990000	1.060000

Distribution tables – continued

Third interim distribution in pence per share

Group 1 – Shares purchased prior to 1 August 2013

Group 2 – Shares purchased 1 August 2013 to 31 October 2013

	Gross revenue	Tax at 10%	Net revenue	Equalisation	Distribution paid 31.01.14	Distribution paid 31.01.13
A-Class Accumulation Shares						
Group 1	0.733333	0.073333	0.660000	-	0.660000	0.840000
Group 2	0.399266	0.039927	0.359339	0.300661	0.660000	0.840000
A-Class Income Shares						
Group 1	0.600000	0.060000	0.540000	-	0.540000	0.720000
Group 2	0.276933	0.027693	0.249240	0.290760	0.540000	0.720000
B-Class Accumulation Shares						
Group 1	0.744444	0.074444	0.670000	-	0.670000	-
Group 2	0.339608	0.033961	0.305647	0.364353	0.670000	-
B-Class Income Shares						
Group 1	0.600000	0.060000	0.540000	-	0.540000	0.720000
Group 2	0.425791	0.042579	0.383212	0.156788	0.540000	0.720000
C-Class Accumulation Shares						
Group 1	1.088889	0.108889	0.980000	-	0.980000	1.250000
Group 2	0.561343	0.056134	0.505209	0.474791	0.980000	1.250000
C-Class Income Shares						
Group 1	1.033333	0.103333	0.930000	-	0.930000	1.240000
Group 2	0.467531	0.046753	0.420778	0.509222	0.930000	1.240000
X-Class Accumulation Shares						
Group 1	1.011111	0.101111	0.910000	-	0.910000	-
Group 2	0.252140	0.025214	0.226926	0.683074	0.910000	-
X-Class Income Shares						
Group 1	1.144444	0.114444	1.030000	-	1.030000	1.350000
Group 2	1.144444	0.114444	1.030000	0.000000	1.030000	1.350000

Distribution tables – continued

Second interim distribution in pence per share

Group 1 – Shares purchased prior to 1 May 2013

Group 2 – Shares purchased 1 May 2013 to 31 July 2013

	Gross revenue	Tax at 10%	Net revenue	Equalisation	Distribution paid 31.10.13	Distribution paid 31.10.12
A-Class Accumulation Shares						
Group 1	0.988889	0.098889	0.890000	-	0.890000	0.980000
Group 2	0.457374	0.045737	0.411637	0.478363	0.890000	0.980000
A-Class Income Shares						
Group 1	0.800000	0.080000	0.720000	-	0.720000	0.840000
Group 2	0.367614	0.036761	0.330853	0.389147	0.720000	0.840000
B-Class Accumulation Shares						
Group 1	0.977778	0.097778	0.880000	-	0.880000	-
Group 2	0.335196	0.033520	0.301676	0.578324	0.880000	-
B-Class Income Shares						
Group 1	0.811111	0.081111	0.730000	-	0.730000	-
Group 2	0.359039	0.035904	0.323135	0.406865	0.730000	-
C-Class Accumulation Shares						
Group 1	1.444444	0.144444	1.300000	-	1.300000	1.420000
Group 2	0.544982	0.054498	0.490484	0.809516	1.300000	1.420000
C-Class Income Shares						
Group 1	1.388889	0.138889	1.250000	-	1.250000	1.460000
Group 2	0.557432	0.055743	0.501689	0.748311	1.250000	1.460000
X-Class Accumulation Shares						
Group 1	1.333333	0.133333	1.200000	-	1.200000	-
Group 2	0.678612	0.067861	0.610751	0.589249	1.200000	-
X-Class Income Shares						
Group 1	1.533333	0.153333	1.380000	-	1.380000	1.560000
Group 2	1.533333	0.153333	1.380000	0.000000	1.380000	1.560000

Distribution tables – continued

First interim distribution in pence per share

Group 1 – Shares purchased prior to 1 February 2013

Group 2 – Shares purchased 1 February 2013 to 30 April 2013

	Gross revenue	Tax at 10%	Net revenue	Equalisation	Distribution paid 31.07.13	Distribution paid 31.07.12
A-Class Accumulation Shares						
Group 1	0.977777	0.097777	0.880000	-	0.880000	0.800000
Group 2	0.554774	0.055477	0.499297	0.380703	0.880000	0.800000
A-Class Income Shares						
Group 1	0.822222	0.082222	0.740000	-	0.740000	0.700000
Group 2	0.388315	0.038831	0.349484	0.390516	0.740000	0.700000
B-Class Accumulation Shares						
Group 1	0.977777	0.097777	0.880000	-	0.880000	-
Group 2	0.366350	0.036635	0.329715	0.550285	0.880000	-
B-Class Income Shares						
Group 1	0.822222	0.082222	0.740000	-	0.740000	-
Group 2	0.163717	0.016371	0.147346	0.592654	0.740000	-
C-Class Accumulation Shares						
Group 1	1.455555	0.145555	1.310000	-	1.310000	-
Group 2	0.749722	0.074972	0.674750	0.635250	1.310000	-
C-Class Income Shares						
Group 1	1.400000	0.140000	1.260000	-	1.260000	0.050000
Group 2	0.712695	0.071269	0.641426	0.618574	1.260000	0.050000
X-Class Accumulation Shares						
Group 1	1.333333	0.133333	1.200000	-	1.200000	-
Group 2	0.606425	0.060642	0.545783	0.654217	1.200000	-
X-Class Income Shares						
Group 1	1.544444	0.154444	1.390000	-	1.390000	1.320000
Group 2	1.544444	0.154444	1.390000	0.000000	1.390000	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 Multi-Asset Macro Fund

Investment objective and policy

The Fund aims to provide positive investment returns over rolling 12 month periods in any market conditions. There is no guarantee that positive investment returns will be achieved over this period or any time period, and your capital is in fact at risk.

The Investment Adviser manages the Fund with a high level of discretion to try to achieve this aim. The Investment Adviser will seek to exploit market inefficiencies through active asset allocation to various asset classes, and security selection within them. These assets will include, but are not limited to, Global Equities, Bonds, Commodity Index Instruments, currencies, Convertible Securities, Collective Investment Schemes and other linked instruments, including Financial Derivative Instruments (derivatives). Issuers of securities may be located in any country, including Emerging Markets and smaller companies. Asset and country allocations and exposure to the markets may vary significantly over a short period of time depending upon market conditions and opportunities. The Fund may have a significant exposure to any one asset class, country, sector or issuer at any time. The Fund can take Long and Short Positions in markets, securities, groups of securities, Commodity Index Instruments and currencies. 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.

Subject to market conditions the Fund may invest up to 100% in Equity and Equity-Linked Securities. Subject to market conditions the Fund may invest up to 90% in cash and cash equivalents. The Fund may invest up to 100% in government and public securities (see Section 3.11(e)) of the Prospectus.

The Fund may use Financial Derivative Instruments (derivatives) for investment purposes or Efficient Portfolio Management including hedging, where appropriate (see Section 11.14 of the Prospectus for Risk Warnings on derivatives).

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.

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 12 month 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.

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 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.

Fund review

In the 12-month period, global equities delivered double-digit returns as economic data improved, particularly in the US and Europe. The decision of the US Federal Reserve to taper its asset purchases contributed to negative performance for bond markets and the underperformance of emerging vs. developed equity markets.

The Fund delivered a positive return from its inception on 15 February 2013 to 31 January 2014. We held an average delta of 39% through the period. Our stock selection reflected longstanding views that favoured global financials, European value and Japanese reflation. We reflected US rate normalisation in our fixed income positions, holding particularly low levels of duration in the third quarter. In currency, we were long the US dollar against a basket of predominantly emerging market currencies.

Fund outlook

Our conviction in markets has lowered slightly and we expect increased volatility this year. Our concerns centre around the cyclical challenges in emerging economies and the resilience of the global economy in the face of rising rates. However, we retain a positive outlook for risk assets as performance drivers remain in place, namely improving global growth with quiescent inflation, accommodative monetary policy and still-supportive valuations.

Performance to 31 January

Since launch 15/02/13

JPM Multi-Asset Macro A-Class Acc	9.2%
JPM Multi-Asset Macro B-Class Acc	9.6%
JPM Multi-Asset Macro C-Class Acc	9.9%
Benchmark Index	0.5%

Fund statistics

Risk and Reward Profile	6*
Fund size	£7.0m
Benchmark Index	ICE 1 Month GBP LIBOR
Fund charges	
A-Class	Initial 3.00%, Annual 1.50%
B-Class	Initial Nil, Annual 1.00%
C-Class	Initial Nil, Annual 0.75%

Top ten holdings

%

Denmark 4% 2017	7.2
Lyxor MSCI World Health Care 'A' EUR (Accumulation)	6.4
Mitsubishi UFJ Financial Group	2.2
Treasury 1.25% 2018	2.1
Aetna	2.1
UnitedHealth Group	1.6
Sumitomo Mitsui Financial Group	1.6
St. Jude Medical	1.6
Shire	1.6
Sumitomo Mitsui Trust	1.6

Sector breakdown

%

Equities	51.9
Government bonds	9.3
Investment funds	6.4
Forward currency contracts	3.7
Options	0.9
Swaps	0.7
Futures	0.7
Contracts for difference	0.1
Net other assets	26.3

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.

Highest/lowest share price and distribution record

Calendar year	Highest share price	Lowest share price	Distribution per share (net)
A-Class Accumulation Shares^A			
2013	53.83p	49.81p	-
2014 ^B	54.94p	53.95p	0.00p
A-Class Income Shares^A			
2013	53.83p	49.81p	-
2014 ^B	54.94p	53.95p	0.00p
B-Class Accumulation Shares^A			
2013	108.0p	99.83p	-
2014 ^B	110.3p	108.3p	0.21p
C-Class Accumulation Shares^A			
2013	108.2p	99.95p	-
2014 ^B	110.5p	108.5p	0.40p
C-Class Income Shares^A			
2013	108.2p	99.95p	-
2014 ^B	110.5p	108.5p	0.40p

^A A-Class Accumulation Shares, A-Class Income Shares, B-Class Accumulation Shares, C-Class Accumulation Shares and C-Class Income Shares were launched on 15 February 2013.
^B To 31 January 2014.

Portfolio turnover rate

31.01.14	422.9%
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The portfolio turnover rate (PTR) reflects the total of security purchases and sales (excluding Liquidity funds), less the total of share issues and cancellations, expressed as a percentage of the average daily net asset values over the period.

Portfolio transaction costs

	Broker Commissions	Transaction Taxes	Total
31.01.14	0.23%	0.17%	0.40%

The percentage figures disclosed above reflect the average broker commissions and transaction taxes suffered since launch divided by the average assets under management over the same period.

Stamp duty reserve tax

31.01.14	0.00%
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The percentage figures disclosed above reflect the total stamp duty reserve tax suffered since launch divided by the average assets under management over the same 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 specific risks, including the risk and reward profile, please refer to the Key Investor Information Document (KIID) available on the following website <http://am.jpmorgan.co.uk/investor/prices-and-factsheets/?list=all&tab=Prices>

All performance returns are calculated using the quoted price of the accumulation or income shares. Performance returns are in Sterling.
 Source: J.P. Morgan.

Net asset values and Ongoing charges

Date	Net asset value per share class £'000	Number of shares	Net asset value per share	Ongoing charges
A-Class Accumulation Shares				
31.01.14	1,441	2,644,108	54.49p	1.68%
A-Class Income Shares				
31.01.14	1,382	2,536,846	54.49p	1.68%
B-Class Accumulation Shares				
31.01.14	1,381	1,262,500	109.4p	1.18%
C-Class Accumulation Shares				
31.01.14	1,382	1,261,000	109.6p	0.93%
C-Class Income Shares				
31.01.14	1,377	1,261,000	109.2p	0.93%

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

The Ongoing charges takes into account the ACD fee, the fixed expenses and any expenses paid to an affiliate in respect of stocklending activities, expressed as a percentage of the average daily net asset values over the period.

Portfolio statement

As at 31 January 2014

Investment	Holding	Market value £'000	Total net assets %
Equities – 51.9%			
United States of America – 22.3%			
Actavis	953	108	1.6
Aetna	3,477	145	2.1
Allstate	936	-	-
CBS 'B'	2,124	76	1.1
Covidien	2,154	101	1.5
CVS Caremark	1,970	97	1.4
HCA	3,194	96	1.4
Macy's	2,737	90	1.3
Metlife	2,476	75	1.1
Mylan Laboratories	3,908	108	1.6
Pfizer	4,478	99	1.4
Prudential Financial	1,444	75	1.1
St. Jude Medical	2,008	111	1.6
Thermo Fisher Scientific	1,113	78	1.1
Time Warner	1,879	72	1.0
UnitedHealth Group	2,575	114	1.6
Wells Fargo	3,434	96	1.4
Japan – 11.2%			
Asahi Kasei	5,000	23	0.3
Bridgestone	1,100	24	0.3
Daito Trust Construction	900	52	0.7
Haseko	5,200	24	0.3
Japan Tobacco	3,000	57	0.8
Mitsubishi UFJ Financial Group	41,700	154	2.2
Mizuho Financial Group	65,700	86	1.2
Nippon Telegraph & Telephone	2,400	79	1.1
ORIX	2,300	22	0.3
Sekisui House	2,700	23	0.3
Sumitomo Mitsui Financial Group	3,900	112	1.6
Sumitomo Mitsui Trust	37,000	109	1.6
Toyota Motor	1,000	35	0.5
United Kingdom – 7.3%			
Berkeley Group	2,441	62	0.9
BT Group	10,361	39	0.6
GKN	7,800	30	0.4
GlaxoSmithKline	5,486	85	1.2
Lancashire	1,038	8	0.1
Legal & General Group	29,771	63	0.9
Next	1,356	84	1.2
Shire	3,447	110	1.6
WPP	2,339	29	0.4
Switzerland – 3.3%			
Novartis	1,553	74	1.1
Roche (Genusscheine)	525	87	1.2
Swiss Re	521	27	0.4
Zurich Insurance Group	222	39	0.6
Netherlands – 2.6%			
ING Groep	6,415	51	0.7
Nutreco	1,702	46	0.7
Reed Elsevier	2,610	33	0.5
Wolters-Kluwer	2,779	47	0.7
France – 1.5%			
Cap Gemini	1,606	67	1.0
Sanofi	532	32	0.5
Germany – 1.1%			
Bayer	701	56	0.8
Deutsche Wohnen	1,066	12	0.2
TAG Immobilien	1,212	9	0.1
Norway – 1.0%			
Marine Harvest	10,007	70	1.0
Belgium – 0.8%			
Ageas	2,258	59	0.8
Denmark – 0.6%			
Novo-Nordisk 'B'	1,658	40	0.6
Singapore – 0.2%			
First REIT	18,000	9	0.1
Lippo Malls Indonesia Retail Trust	43,000	8	0.1

Investment	Holding	Market value £'000	Total net assets %
Government bonds – 9.3%			
Denmark – 7.2%			
Denmark 4% 2017	DKK4,000,000	502	7.2
United Kingdom – 2.1%			
Treasury 1.25% 2018	£150,000	148	2.1
Investment funds – 6.4%			
Lyxor MSCI World Health Care 'A' EUR (Accumulation)	3,477	446	6.4
Forward currency contracts – 3.7%			
Australian Dollar			
Buy AUD240,323 sell MXN2,804,167 dated 14/02/14		0	-
Buy AUD273,077 sell MXN3,231,951 dated 14/02/14		(2)	-
Sell AUD553,208 buy £325,800 dated 14/02/14		33	0.5
Canadian Dollar			
Buy CAD498,183 sell AUD505,896 dated 14/02/14		3	-
Buy CAD365,287 sell \$327,658 dated 14/02/14		(1)	-
Buy CAD769,453 sell HKD5,348,419 dated 14/02/14		(1)	-
Buy CAD287,464 sell SEK1,700,941 dated 14/02/14		(2)	-
Sell CAD734,134 buy £436,634 dated 14/02/14		37	0.5
Danish Krone			
Buy DKK 219,484 sell £24,245 dated 14/02/14		0	-
Sell DKK 5,282,794 buy £599,710 dated 14/02/14		17	0.2
Euro			
Buy €286,611 sell HUF87,440,887 dated 14/02/14		6	0.1
Buy €82,403 sell £67,792 dated 14/02/14		0	-
Buy €1,411,468 sell £1,182,127 dated 14/02/14		(20)	(0.3)
Sell €2,509,042 buy £2,106,163 dated 14/02/14		41	0.7
Sell €64,240 buy £52,825 dated 14/02/14		0	-
Hong Kong Dollar			
Buy HKD3,059,317 sell €286,360 dated 14/02/14		4	0.1
Buy HKD3,111,244 sell MXN5,323,948 dated 14/02/14		3	-
Buy HKD3,116,629 sell SEK2,602,552 dated 14/02/14		2	-
Japanese Yen			
Buy ¥84,297,489 sell £493,226 dated 14/02/14		8	0.1
Buy ¥39,550,000 sell £234,598 dated 13/05/14		1	-
Buy ¥44,250,631 sell £281,110 dated 14/02/14		(18)	(0.3)
Sell ¥257,056,762 buy £1,617,988 dated 14/02/14		90	1.4
Sell ¥44,984,922 buy £264,229 dated 14/02/14		(3)	-
Mexican Peso			
Buy MXN3,670,725 sell HUF61,997,445 dated 14/02/14		3	-
Buy MXN2,205,937 sell CAD180,269 dated 14/02/14		2	-
Buy MXN9,665,951 sell £454,135 dated 14/02/14		(18)	(0.3)
New Zealand Dollar			
Buy NZD269,575 sell ZAR 2,238,775 dated 14/02/14		13	0.2
Buy NZD319,665 sell £160,733 dated 14/02/14		(3)	-
Sell NZD589,240 buy £303,194 dated 14/02/14		13	0.2
Norwegian Krone			
Buy NOK2,122,514 sell HUF77,257,369 dated 14/02/14		2	-
Buy NOK1,831,427 sell £190,290 dated 14/02/14		(13)	(0.2)
Sell NOK856,042 buy £87,489 dated 14/02/14		5	0.1
Polish Zloty			
Buy PLN938,564 sell \$307,585 dated 14/02/14		(5)	(0.1)
Sell PLN938,564 buy £187,809 dated 14/02/14		6	0.1
Russian Ruble			
Buy RUB4,205,104 sell \$126,717 dated 14/02/14		(5)	(0.1)
Singapore Dollar			
Buy SGD22,715 sell £11,392 dated 14/02/14		(1)	-
Sell SGD70,730 buy £35,406 dated 14/02/14		2	-
South African Rand			
Buy ZAR 2,238,775 sell £126,176 dated 14/02/14		(6)	(0.1)
Swedish Krona			
Buy SEK1,847,529 sell HUF64,661,664 dated 14/02/14		2	-
Swiss Franc			
Buy CHF718,846 sell MXN10,518,444 dated 14/02/14		9	0.1
Buy CHF139,442 sell \$153,571 dated 14/02/14		1	-
Buy CHF101,284 sell £68,617 dated 14/02/14		0	-
Buy CHF181,670 sell £122,101 dated 14/02/14		0	-
Sell CHF1,356,779 buy £926,087 dated 14/02/14		12	0.2
Sell CHF61,287 buy £40,951 dated 14/02/14		0	-
Sell CHF45,000 buy £30,320 dated 13/05/14		0	-

Portfolio statement – continued

As at 31 January 2014

Investment	Holding	Market value £'000	Total net assets %
US Dollar			
Buy \$222,415 sell CAD236,530 dated 14/02/14		7	0.1
Buy \$545,798 sell MXN7,186,315 dated 14/02/14		7	0.1
Buy \$127,698 sell RUB 4,205,104 dated 14/02/14		5	0.1
Buy \$299,747 sell NOK1,831,427 dated 14/02/14		5	0.1
Buy \$58,172 sell AUD63,816 dated 14/02/14		2	-
Buy \$204,805 sell £123,875 dated 14/02/14		1	-
Buy \$2,284,738 sell £1,412,074 dated 14/02/14		(24)	(0.3)
Sell \$3,313,852 buy £2,051,508 dated 14/02/14		38	0.5
Sell \$59,750 buy £36,338 dated 13/05/14		0	-
Sell \$301,954 buy £182,621 dated 14/02/14		(1)	-
Options – 0.9%			
Foreign Exchange Call Options CNY/USD 6.1425 Jul 2014	1,700,000	4	0.1
Foreign Exchange Put Options HKD/USD 7.7275 Jul 2014	1,700,000	1	-
Foreign Exchange Put Options MXN/USD 13.40 Feb 2014	1,200,000	4	0.1
FTSE 100 Put Options 6500 Feb 2014	8	11	0.2
SPX Put Options Feb 2014	10	19	0.3
SPXW Put Options Feb 2014	11	15	0.2
Futures – 0.7%			
Australia 3 Year Bond Futures Mar 2014	17	3	-
Australia 10 Year Bond Futures Mar 2014	4	7	0.1
CAC 40 Index Futures Mar 2014	(8)	12	0.2
Euro-BOBL Futures Mar 2014	16	13	0.2
Euro-BUXL 30 Year Bond Futures Mar 2014	1	3	-
Euro Stoxx 50 Index Futures Dec 2014	(54)	(14)	(0.2)
Euro Stoxx 50 Index Futures Dec 2015	54	14	0.2
Euro Stoxx 50 Index Futures Dec 2018	(21)	3	-
FTSE 100 Index Futures Mar 2014	6	(13)	(0.2)
FTSE/JSE 40 Index Futures Mar 2014	(12)	4	0.1
FTSE/MIB Index Futures Mar 2014	(1)	1	-
Hang Seng Index Futures Feb 2014	(4)	(1)	-
IBEX 35 Futures Feb 2014	(2)	2	-
MDAX Index Futures Mar 2014	4	(12)	(0.2)
Mini MSCI Futures Mar 2014	(18)	37	0.6
S&P500 E-Mini Futures Mar 2014	4	(1)	-
SPI 200 Futures Mar 2014	(3)	5	0.1
Stoxx 600 Bas Futures Mar 2014	(40)	(14)	(0.2)
US 5 Year Treasury Note Futures Mar 2014	(20)	2	-
Swaps – 0.7%			
Euro Stoxx 50 Equity Variance Swaps 0.05% 19 Dec 2014	88	(5)	(0.1)
Euro Stoxx 50 Equity Variance Swaps 0.05% 20 Jun 2014	86	(14)	(0.2)
FTSE 100 Equity Variance Swaps 0.0289% 20 Jun 2014	87	(2)	-
Hang Seng Equity Variance Swaps 0.0729% 27 Jun 2014	576	(7)	(0.1)
Hang Seng Equity Variance Swaps 0.0729% 27 Jun 2014	727	(9)	(0.1)
Inflation Rate Swaps UK RPI 0% 17 Apr 2023	(150,000)	(4)	(0.1)
Inflation Rate Swaps UK RPI 0% 26 Feb 2023	(150,000)	(2)	-
iTraxx Asia 2018 Credit Default Swap Buy Protection	900,000	12	0.2
iTraxx Asia 2018 Credit Default Swap Buy Protection	900,000	12	0.2
iTraxx Asia 2018 Credit Default Swap Buy Protection	800,000	10	0.1
iTraxx Asia 2018 Credit Default Swap Buy Protection	800,000	10	0.1
KRX Korea Equity Variance Swaps 0.03% 12 Jun 2014	135,870	(2)	-
S&P500 Equity Variance Swaps 0.0361% 19 Dec 2014	140	4	0.1
S&P500 Equity Variance Swaps 0.04% 20 Jun 2014	101	13	0.2
S&P500 Equity Variance Swaps 0.04% 20 Jun 2014	132	15	0.2
S&P500 Equity Variance Swaps 0.04% 20 Jun 2014	132	15	0.2
Investment assets (including investment liabilities)		5,121	73.5
Net other assets		1,842	26.5
Net assets		6,963	100.0

Portfolio credit ratings	Market value £'000
AAA	502
AA+	148
Total bonds	650
Equities	3,617
Investment funds	446
Forward currency contracts	257
Options	54
Futures	51
Swaps	46
Investment assets (including investment liabilities)	5,121

Counterparty exposure

Counterparty	Equity variance swaps £'000	Credit default swaps £'000	Forward currency contracts £'000	Futures contracts £'000	Currency options £'000	Index Option contracts £'000	Total £'000
Barclays	-	-	8	-	-	-	8
BNP Paribas	42	44	(5)	-	-	-	82
CitiBank	-	-	9	-	-	-	9
Commonwealth Bank of Australia	-	-	0	-	-	-	0
Credit Suisse	-	-	28	-	-	-	28
Deutsche Bank	-	-	33	-	-	-	33
Goldman Sachs	-	-	40	212	-	46	298
HSBC	-	-	30	-	-	-	30
Merrill Lynch	-	-	(1)	-	-	-	(1)
Morgan Stanley	-	-	(1)	-	-	-	(1)
RBC	-	-	(2)	-	-	-	(2)
Societe Generale	-	-	(9)	-	-	-	(9)
State Street	-	-	71	-	-	-	71
Toronto Dominion Bank	-	-	9	-	-	-	9
UBS	4	-	43	-	9	-	56
Westpac Banking Corp	-	-	4	-	-	-	4

At the balance sheet date, there was no collateral received by the fund from the above counterparties.

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.

Unless otherwise stated the above securities are admitted to official stock exchange listings or trade on a regulated market.

Portfolio movements

For the period from 15 February 2013 to 31 January 2014

	£'000		£'000
Total of all purchases for the period (Note 10)	19,171	Total of all sales for the period (Note 10)	14,716
Major purchases	Cost	Major sales	Proceeds
US Treasury 0.75% 2017	683	US Treasury 0.75% 2017	691
Lyxor MSCI World Health Care 'A' EUR (Accumulation)	654	JPM Sterling Liquidity 'X' (Distribution)^	550
JPM Sterling Liquidity 'X' (Distribution)^	551	Italy 3.5% 2017	411
Denmark 4% 2017	519	Germany 0.25% 2018	369
Italy 3.5% 2017	409	S&P US Select Sector Source ETF Fund 'A'	357
Germany 0.25% 2018	362	Germany 0% 2015	332
S&P US Select Sector Source ETF Fund 'A'	338	Spain(Kingdom of) 3.75% 2018	332
Spain(Kingdom of) 3.75% 2018	333	Treasury 2% 2016	330
Treasury 2% 2016	330	British Land 1.5% Convertible 2017	327
Germany 0% 2015	327	Spain(Kingdom of) 4.6% 2019	321
Wells Fargo 'A' Perpetual Convertible Preference	322	Wells Fargo 'A' Perpetual Convertible Preference	309
Mitsubishi UFJ Financial Group	319	Bank of America 7.25% Preference 'L'	279
Spain(Kingdom of) 4.6% 2019	318	New Zealand FRN 2025	255
New Zealand FRN 2025	311	QBE Funding Trust V 0% Convertible 2030	221
British Land 1.5% Convertible 2017	308	Lyxor MSCI World Health Care 'A' EUR (Accumulation)	220
Bank of America 7.25% Preference 'L'	296	Bank of America	177
Treasury 1.25% 2018	283	Germany 4.25% 2018	172
Sumitomo Mitsui Trust	251	EADS	164
Sumitomo Mitsui Financial Group	250	Toyota Motor	163
QBE Funding Trust V 0% Convertible 2030	216	Citigroup	159

^ Deemed to be investment in related parties of the ACD

Financial statements

Statement of total return

For the period from 15 February 2013 to 31 January 2014

	£'000	2014 £'000
Income		
Net capital gains (Note 1)		583
Revenue (Note 2)	96	
Expenses (Note 3)	(80)	
Net revenue before taxation	16	
Taxation (Note 4)	(7)	
Net revenue after taxation		9
Total return before distributions		592
Finance costs: Distributions (Note 5)		(13)
Change in net assets attributable to shareholders from investment activities		579

Statement of change in net assets attributable to shareholders

For the period from 15 February 2013 to 31 January 2014

	£'000	2014 £'000
Opening net assets attributable to shareholders		-
Amounts receivable on issue of shares	6,377	
Amounts payable on cancellation of shares	(1)	
		6,376
Change in net assets attributable to shareholders from investment activities (see above)		579
Retained distributions on accumulation shares		8
Closing net assets attributable to shareholders		6,963

Balance sheet

As at

	31 January 2014 £'000	£'000
ASSETS		
Investment assets		5,344
Debtors (Note 7)	356	
Cash and bank balances (Note 8)	1,816	
Total other assets		2,172
Total assets		7,516
LIABILITIES		
Investment liabilities		(223)
Creditors (Note 9)	(325)	
Distribution payable on income shares	(5)	
Total other liabilities		(330)
Total liabilities		(553)
Net assets attributable to shareholders		6,963

The notes to these financial statements are shown on pages 234 to 236.

Notes to the financial statements for the period from 15 February 2013 to 31 January 2014

1. Net capital gains

	2014
	£'000
Currency gains	33
Derivative contracts	(155)
Forward currency contracts	494
Non-derivative securities	<u>211</u>
Net capital gains	<u>583</u>

2. Revenue

	2014
	£'000
Franked income from UK equity investments	13
Income from overseas equity investments	74
Interest on bank and term deposits	2
Interest on derivatives	(7)
Interest on fixed-interest securities	<u>14</u>
Total revenue	<u>96</u>

3. Expenses

	2014
	£'000
Payable to the ACD or associate of the ACD:	
ACD fee	69
Fixed expenses	<u>11</u>
Total expenses	<u>80</u>

4. Taxation

	2014
	£'000
a) Analysis of charge in the period	
Overseas tax suffered	<u>7</u>
Current period tax charge (Note 4b)	<u>7</u>

b) Factors affecting the tax charge for the period

The tax assessed for the period is higher 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	<u>16</u>
Corporation tax at 20%	<u>3</u>
Effects of:	
Dividends not subject to corporation tax	(17)
Excess expenses for which no relief taken	14
Overseas tax suffered	<u>7</u>
	<u>4</u>
Current period tax charge (Note 4a)	<u>7</u>

No deferred tax asset has been recognised in the financial statements. At the period end date, the Fund had a potential unrecognised deferred tax asset of £13,810 in relation to £69,050 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.

5. Finance costs

	2014
	£'000
Distributions	
The distributions take account of amounts receivable on the issue of shares and amounts payable on the cancellation of shares and comprise:	
Final dividend distribution	<u>13</u>
Total finance costs	<u>13</u>

Details of the distribution per share are set out on page 237.

6. Movement between net revenue after taxation and distributions

	2014
	£'000
Net revenue after taxation	9
Add: Net expense payable from capital	<u>4</u>
	<u>13</u>

7. Debtors

	2014
	£'000
Overseas tax recoverable	2
Sales awaiting settlement	<u>354</u>
Total debtors	<u>356</u>

8. Cash and bank balances

	2014
	£'000
Amounts held at futures clearing houses and brokers	358
Cash and bank balances	<u>1,458</u>
Total cash and bank balances	<u>1,816</u>

9. Creditors

	2014
	£'000
Accrued expenses	8
Purchases awaiting settlement	<u>317</u>
Total creditors	<u>325</u>

Notes to the financial statements – continued

10. Portfolio transaction costs

	2014 £'000
Analysis of total purchase costs	
Purchases in period before transaction costs	19,153
Commissions	8
Taxes	10
Total purchase costs	18
Gross purchases total	19,171
Analysis of total sale costs	
Gross sales before transaction costs	14,722
Commissions	(6)
Total sale costs	(6)
Total sales net of transaction costs	14,716

11. 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 period end date in respect of related party transactions was £7,580. Details of related party transactions are given under note 13 on page 413.

Investments considered to be related parties have been identified in the portfolio statement on pages 230 to 231 and the revenue from these investments was £227.

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 period were £445. 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:
- JPMorgan Asset Management, Holdings (UK) Ltd 98.82% (31.01.13: 0.00%)

12. 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.

Currency	Net foreign currency assets/(liabilities)		
	Total £'000	Monetary exposures £'000	Non-monetary exposures £'000
31.01.14			
US Dollar	1,655	(59)	1,714
Japanese Yen	1,108	308	800
Euro	944	99	845
Danish Krone	580	38	542
Swiss Franc	190	(38)	228
Australian Dollar	95	81	14
Norwegian Krone	65	(5)	70
Mexican Peso	23	23	-
Canadian Dollar	21	21	-
Singapore Dollar	19	2	17
Hungarian Forint	18	18	-
South African Rand	13	9	4
New Zealand Dollar	7	7	-
Hong Kong Dollar	3	20	(17)
Russian Rouble	2	2	-
Korean Won	(2)	-	(2)
Swedish Krona	(14)	-	(13)

Interest rate risk

The tables below detail the interest rate profile of the Fund's assets and liabilities as at the period end.

Currency	Total assets £'000	Floating rate financial assets £'000	Fixed rate financial assets £'000	Financial assets not carrying any interest
				£'000
31.01.14				
UK Sterling	2,357	1,661	-	696
US Dollar	1,822	15	-	1,807
Japanese Yen	1,108	13	-	1,095
Euro	944	75	-	869
Danish Krone	580	18	-	562
Swiss Franc	232	-	-	232
Australian Dollar	95	22	-	73
Norwegian Krone	65	-	-	65
Canadian Dollar	21	-	-	21
Mexican Peso	23	-	-	23
Hong Kong Dollar	3	24	-	(21)
Singapore Dollar	19	1	-	18
South African Rand	13	-	-	13
Hungarian Forint	18	-	-	18
New Zealand Dollar	7	-	-	7
Russian Rouble	2	-	-	2
Korean Won	(2)	-	-	(2)
Swedish Krona	(14)	(13)	-	(1)

The floating rate financial assets are bank balances that bear interest at rates based on LIBOR or its overseas equivalent.

Currency	Total liabilities £'000	Floating rate financial liabilities £'000	Financial liabilities not carrying any interest
			£'000
31.01.14			
US Dollar	167	-	167
UK Sterling	121	-	121
Swiss Franc	42	-	42

For consideration of other risks including liquidity, pricing and credit risk, please refer to the notes to the aggregated financial statements, pages 413 to 414.

13. 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 fixed expenses charge are shown below.

	ACD fee	Fixed expenses
Class A shares:	1.50%	0.18%
Class B shares:	1.00%	0.18%
Class C shares:	0.75%	0.18%

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 229. All classes have the same rights on winding up.

Notes to the financial statements – continued

14. Derivatives

The Fund enters into derivative transactions in the form of forward currency contracts, futures, options and credit default swaps for the purpose of efficient portfolio management. The positive mark to market 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 & 500 days of history. As at the balance date the VaR was 4.09%.

The effective observation period changed to 500 days from 31/10/2012 onwards due to a change to a new VaR calculation process.

Further information on the derivative risks can be found in the notes to the aggregated financial statements on page 414.

15. Contingent liabilities and capital commitments

At the balance sheet date there were no contingent liabilities or capital commitments (2013: none).

Distribution table

Final distribution in pence per share

Group 1 – Shares purchased on 15 February 2013

Group 2 – Shares purchased 15 February 2013 to 31 January 2014

	Gross revenue	Tax at 10%	Net revenue	Equalisation	Distribution payable 30.04.14
A-Class Accumulation Shares					
Group 1	0.000000	0.000000	0.000000	-	0.000000
Group 2	0.000000	0.000000	0.000000	0.000000	0.000000
A-Class Income Shares					
Group 1	0.000000	0.000000	0.000000	-	0.000000
Group 2	0.000000	0.000000	0.000000	0.000000	0.000000
B-Class Accumulation Shares					
Group 1	0.233333	0.023333	0.210000	-	0.210000
Group 2	0.233333	0.023333	0.210000	0.000000	0.210000
C-Class Accumulation Shares					
Group 1	0.444444	0.044444	0.400000	-	0.400000
Group 2	0.444444	0.044444	0.400000	0.000000	0.400000
C-Class Income Shares					
Group 1	0.444444	0.044444	0.400000	-	0.400000
Group 2	0.444444	0.044444	0.400000	0.000000	0.400000

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.

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

Risk profile

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

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

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

In the 12 months to 31 January 2014, global equities delivered double-digit returns as economic data improved, particularly in the US and Europe. The decision of the US Federal Reserve to taper its asset purchases contributed to negative performance for bond markets and the underperformance of emerging vs. developed equity markets.

In this environment, the Fund outperformed the benchmark. The largest positive contributors to relative performance included overweight positions to the Mercantile Investment Trust and RCM Technology Trust. We also benefited from our decision not to allocate to the Murray International Trust Plc, which experienced a significant decline over the period and was held in the benchmark with an average weight of 2%, and the Genesis Emerging Markets Fund. The most significant negative contributors to relative

performance were an overweight to the JPM Emerging Markets Investment Trust and underweight to the Aberforth Smaller Companies Trust Plc. In addition, overweight positions in both the JPM Asia Investment Trust and Templeton Emerging Markets Investment Trust relative to benchmark were detrimental. In the market in general, UK smaller companies trusts were the strongest performers. Japanese investment trusts, particularly those biased towards smaller companies, were among the top performing regional strategies. In contrast, emerging market investment trusts, particularly those focused on Latin America, suffered in the 12-month period.

Fund outlook

Our conviction in markets has lowered slightly and we expect increased volatility this year. Our concerns centre around the cyclical challenges in emerging economies and the resilience of the global economy in the face of rising rates. However, we retain a positive outlook for risk assets as performance drivers remain in place for now, namely improving global growth with quiescent inflation, accommodative monetary policy and still-supportive valuations.

12 month performance as at 31 January

	2014	2013	2012	2011	2010
JPM Multi-Manager Growth A-Class Acc	11.2%	13.3%	-9.2%	24.5%	31.6%
JPM Multi-Manager Growth B-Class Acc	11.7%	-	-	-	-
JPM Multi-Manager Growth C-Class Acc	11.9%	-	-	-	-
Benchmark Index	10.0%	16.9%	-4.5%	23.8%	34.9%

Fund statistics

Risk and Reward Profile	6*
Fund size	£314.4m
Benchmark Index	FTSE All-Share Equity Investment Instruments Index (Net)
Fund charges	
A-Class	Initial 3.00%, Annual 1.25%
B-Class	Initial Nil, Annual 0.80%
C-Class	Initial Nil, Annual 0.65%

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

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

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

Source: J.P. Morgan.

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.

Top ten holdings (excluding Liquidity funds) %

The Mercantile Investment Trust [^]	5.9
Alliance Trust	4.4
Scottish Mortgage Investment Trust	4.3
Monks Investment Trust	3.7
Templeton Emerging Markets Investment Trust	3.2
JPMorgan Emerging Markets Investment Trust [^]	2.8
Witan Investment Trust	2.7
RIT Capital Partners	2.4
BH Macro	2.3
3i Infrastructure	2.2

[^] Deemed to be investment in related parties of the ACD

Sector breakdown %

Investment funds	99.4
Liquidity funds	0.6
Net other assets	0.0

Highest/lowest share price and distribution record

Calendar year	Highest share price	Lowest share price	Distribution per share (net)
A-Class Accumulation Shares			
2009	470.0p	301.0p	4.98p
2010	571.2p	446.9p	1.34p
2011	582.9p	474.0p	0.61p
2012	544.8p	486.3p	0.93p
2013	657.5p	550.8p	2.44p
2014 ^A	669.6p	644.0p	2.72p
A-Class Income Shares			
2009	446.9p	288.7p	4.78p
2010	541.6p	424.5p	1.28p
2011	552.8p	449.0p	0.58p
2012	515.1p	459.8p	0.88p
2013	619.0p	520.8p	2.31p
2014 ^A	630.5p	606.3p	2.56p
B-Class Accumulation Shares^B			
2012	545.1p	517.5p	-
2013	660.2p	551.2p	3.04p
2014 ^A	673.1p	647.4p	5.48p
B-Class Income Shares^C			
2013	620.7p	547.6p	-
2014 ^A	632.7p	608.6p	4.96p
C-Class Accumulation Shares^D			
2012	103.9p	98.57p	-
2013	125.9p	105.0p	0.66p
2014 ^A	128.4p	123.5p	1.22p
C-Class Income Shares^D			
2012	103.8p	98.57p	-
2013	125.1p	105.0p	0.69p
2014 ^A	127.6p	122.7p	1.20p

^A To 31 January 2014.

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

^C B-Class Income Shares were launched on 15 March 2013.

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

Portfolio turnover rate

31.01.13	22.0%
31.01.14	19.0%

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

Portfolio transaction costs

	Broker Commissions	Transaction Taxes	Total
31.01.13	0.03%	0.02%	0.05%
31.01.14	0.04%	0.04%	0.08%

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

Stamp duty reserve tax

31.01.13	0.00%
31.01.14	0.00%

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

Net asset values and Ongoing charges

Date	Net asset value per share class £'000	Number of shares	Net asset value per share	Ongoing charges
A-Class Accumulation Shares				
31.01.12	130,672	25,640,089	509.6p	1.43%
31.01.13	137,171	23,714,751	578.4p	1.43%
31.01.14	139,504	21,672,886	643.7p	1.43%
A-Class Income Shares				
31.01.12	156,400	32,456,094	481.9p	1.43%
31.01.13	166,050	30,489,749	544.6p	1.43%
31.01.14	171,481	28,414,277	603.5p	1.43%
B-Class Accumulation Shares				
31.01.13	3	500	579.0p	0.98%
31.01.14	48	7,368	647.2p	0.98%
B-Class Income Shares				
31.01.14	118	19,591	603.4p	0.98%
C-Class Accumulation Shares				
31.01.13	20	17,876	110.3p	0.83%
31.01.14	1,641	1,328,496	123.5p	0.83%
C-Class Income Shares				
31.01.13	369	336,236	109.6p	0.83%
31.01.14	1,572	1,294,064	121.5p	0.83%

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

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

Portfolio statement

As at 31 January 2014

Investment	Holding	Market value £'000	Total net assets %
Investment funds – 99.4% (98.7%)			
3i Infrastructure	5,172,157	6,993	2.2
Aberforth Split Level Trust Units†	465,000	-	-
Aberforth Smaller Companies Trust	139,743	1,547	0.5
Alliance Trust	3,173,837	13,816	4.4
Artemis Alpha Trust	805,651	2,483	0.8
Artemis Alpha Trust Subscription Shares (GBP 3.45)	89,025	41	-
Ashmore Global Opportunities	83,680	377	0.1
BH Macro	366,092	7,329	2.3
Biotech Growth Trust	1,104,336	5,638	1.8
BlackRock Frontier	3,246,012	3,741	1.2
BlackRock North American Income Trust	1,980,000	2,168	0.7
BlackRock World Mining Trust	881,710	4,119	1.3
British Empire Securities & General Trust	1,111,732	5,251	1.7
Caledonia Investments	324,538	6,244	2.0
Damille Investments‡	2,476,208	-	-
Damille Investments II	1,800,000	1,674	0.5
Diverse Income Trust	5,390,218	4,514	1.4
Doric Nimrod Air Two Preference	1,200,000	2,712	0.9
Edinburgh Dragon Trust	1,262,750	2,919	0.9
Edinburgh Dragon Trust 3.5% CULS 2018	922,307	959	0.3
Edinburgh Investment Trust	542,353	3,132	1.0
Edinburgh Worldwide Investment Trust	1,284,281	5,201	1.7
Electra Private Equity	220,609	5,332	1.7
Fidelity European Values	339,072	4,957	1.6
Fidelity Special Values	259,132	2,374	0.8
Finsbury Growth & Income Trust	1,349,300	6,807	2.2
Foreign & Colonial Investment Trust	1,093,500	3,989	1.3
GEIIT Securities Zero Dividend Preference†	750,000	-	-
Govett Strategic Investment Trust‡	1,400,670	-	-
Graphite Enterprise Trust	361,076	2,033	0.7
Hansa Trust 'A' Non-Voting	136,229	1,137	0.4
Henderson Eurotrust	450,319	3,447	1.1
HG Capital Trust	286,313	3,095	1.0
Impax Environmental Markets	4,346,254	6,259	2.0
International Public Partnerships	1,825,000	2,338	0.7
John Laing Infrastructure Fund	1,400,000	1,616	0.5
JPMorgan American Investment Trust^	563,146	6,397	2.0
JPMorgan Asian Investment Trust Subscription shares (GBP 203)^	232,000	2	-
JPMorgan Asian Investment Trust^	2,310,636	4,390	1.4
JPMorgan Brazil Investment Trust^	1,772,000	1,041	0.3
JPMorgan Chinese Investment Trust^	392,000	585	0.2
JPMorgan Claverhouse Investment Trust^	468,000	2,780	0.9
JPMorgan Emerging Markets Investment Trust^	1,745,395	8,797	2.8
JPMorgan European Investment Trust (Growth)^	1,140,500	2,501	0.8
JPMorgan European Smaller Companies Trust^	201,414	2,334	0.7
JPMorgan Global Convertibles Income Fund^	1,560,000	1,677	0.5
JPMorgan Income & Capital Trust^	1,638,037	1,507	0.5
JPMorgan Income & Growth Investment Trust (Capital)^	4,836,729	653	0.2
JPMorgan Income & Growth Investment Trust (Income)^	133,333	124	-
JPMorgan Indian Investment Trust^	841,260	2,684	0.9
JPMorgan Japanese Investment Trust^	2,364,959	5,439	1.7
JPMorgan Japanese Smaller Companies Investment Trust^	1,346,186	2,561	0.8
JPMorgan Overseas Investment Trust Subscription shares (GBP 900)^	69,460	35	-
JPMorgan Overseas Investment Trust^	347,301	3,138	1.0
JPMorgan Russian Securities^	663,400	3,133	1.0
JPMorgan Senior Secured Loan Fund^	1,330,000	1,343	0.4
JPMorgan Smaller Companies Investment Trust^	614,951	5,018	1.6
JPMorgan US Smaller Companies Investment Trust^	192,450	2,964	0.9
Jupiter European Opportunities Trust	481,155	2,067	0.7
Law Debenture	541,211	2,817	0.9
Lowland Investment	369,112	5,204	1.7
Monks Investment Trust	3,041,060	11,666	3.7
Montanaro European Smaller Companies Trust	483,738	2,513	0.8
Montanaro UK Smaller Companies Investment Trust	956,467	4,902	1.6
Pacific Horizon Investment Trust	1,768,993	2,852	0.9
Perpetual Income & Growth Investment Trust	1,616,904	5,991	1.9
RCM Technology Trust	1,136,813	6,008	1.9
RIT Capital Partners	615,208	7,629	2.4
Schroder Asia Pacific Fund	1,427,655	3,184	1.0

Investment	Holding	Market value £'000	Total net assets %
Schroder Japan Growth Fund	1,190,000	1,392	0.4
Schroder UK Growth Fund	2,290,000	4,397	1.4
Schroder UK Mid & Small Cap Fund	426,000	2,033	0.7
Scottish Mortgage Investment Trust	1,312,728	13,534	4.3
SVG Capital	515,442	2,179	0.7
Temple Bar Investment Trust	194,400	2,352	0.7
Templeton Emerging Markets Investment Trust	2,020,130	9,967	3.2
The Mercantile Investment Trust^	1,186,433	18,402	5.9
TR Property Investment Trust	2,321,001	5,413	1.7
Witan Investment Trust	1,321,800	8,612	2.7
Worldwide Healthcare Trust	465,024	5,883	1.9
Liquidity funds – 0.6% (1.9%)			
JPM Sterling Liquidity 'X' (Distribution)^‡	2,007,353	2,007	0.6
Investment assets		314,349	100.0
Net other assets		15	0.0
Net assets		314,364	100.0

Unless otherwise stated the above securities are admitted to official stock exchange listings or trade on a regulated market.

The comparative percentage figures in brackets are at 31 January 2013.

† Suspended security

‡ Delisted security

^ Deemed to be investment in related parties of the ACD

‡ Approved security as defined in the Collective Investment Schemes sourcebook

Portfolio movements

For the year ending 31 January 2014

	£'000		£'000
Total of all purchases for the year (Note 10)	52,349	Total of all sales for the year (Note 10)	75,053
Major purchases	Cost	Major sales	Proceeds
JPM Sterling Liquidity 'X' (Distribution)^	17,112	JPM Sterling Liquidity 'X' (Distribution)^	20,800
Witan Investment Trust	7,901	Scottish Mortgage Investment Trust	5,979
JPMorgan Claverhouse Investment Trust^	2,612	Advance Developing Markets	4,153
Graphite Enterprise Trust	1,960	Hansa Trust 'A' Non-Voting	3,320
Foreign & Colonial Investment Trust	1,857	Alliance Trust	3,259
Schroder Japan Growth Fund	1,671	Ecofin Water & Power Opportunities	3,232
John Laing Infrastructure Fund	1,608	British Empire Securities & General Trust	2,895
JPMorgan Global Convertibles Income Fund^	1,560	Caledonia Investments	2,532
Worldwide Healthcare Trust	1,455	City Natural Resources High Yield Trust	1,841
BH Macro	1,388	BlackRock North American Income Trust	1,614
JPMorgan Senior Secured Loan Fund^	1,330	The Mercantile Investment Trust^	1,573
Schroder UK Growth Fund	1,284	Henderson Value Trust	1,556
Perpetual Income & Growth Investment Trust	1,262	Ashmore Global Opportunities	1,540
Scottish Mortgage Investment Trust	1,235	Henderson Eurotrust	1,438
Templeton Emerging Markets Investment Trust	1,223	BlueCrest BlueTrend	1,322
JPMorgan Japanese Investment Trust^	1,020	Finsbury Growth & Income Trust	1,160
Edinburgh Worldwide Investment Trust	899	RIT Capital Partners	1,131
JPMorgan Emerging Markets Investment Trust^	721	JPMorgan US Smaller Companies Investment Trust^	1,074
Biotech Growth Trust	698	Henderson Fledgling Trust	1,044
Temple Bar Investment Trust	639	JPMorgan Smaller Companies Investment Trust^	946

^ Deemed to be investment in related parties of the ACD

Financial statements

Statement of total return

For the year ending 31 January

	2014	2013
£'000	£'000	£'000
Income		
Net capital gains (Note 1)	32,116	35,363
Revenue (Note 2)	5,886	5,399
Expenses (Note 3)	(4,499)	(4,066)
Net revenue before taxation	1,387	1,333
Taxation (Note 4)	-	-
Net revenue after taxation	1,387	1,333
Total return before distributions	33,503	36,696
Finance costs: Distributions (Note 5)	(1,394)	(1,331)
Change in net assets attributable to shareholders from investment activities	32,109	35,365

Balance sheet

As at 31 January

	2014	2013
£'000	£'000	£'000
ASSETS		
Investment assets	314,349	305,555
Debtors (Note 7)	618	865
Cash and bank balances (Note 8)	699	339
Total other assets	1,317	1,204
Total assets	315,666	306,759
LIABILITIES		
Creditors (Note 9)	(558)	(2,439)
Distribution payable on income shares	(744)	(707)
Total liabilities	(1,302)	(3,146)
Net assets attributable to shareholders	314,364	303,613

The notes to these financial statements are shown on pages 243 to 244.

Statement of change in net assets attributable to shareholders

For the year ending 31 January

	2014	2013
£'000	£'000	£'000
Opening net assets attributable to shareholders	303,613	287,072
Amounts receivable on issue of shares	1,098	915
Amounts payable on cancellation of shares	(23,060)	(20,320)
	(21,962)	(19,405)
Change in net assets attributable to shareholders from investment activities (see above)	32,109	35,365
Retained distributions on accumulation shares	606	578
Stamp duty reserve tax	(11)	(7)
Unclaimed distributions	9	10
Closing net assets attributable to shareholders	314,364	303,613

Notes to the financial statements for the year ending 31 January 2014

1. Net capital gains

	2014	2013
	£'000	£'000
Currency losses	-	(4)
Non-derivative securities	32,116	35,367
Net capital gains	<u>32,116</u>	<u>35,363</u>

2. Revenue

	2014	2013
	£'000	£'000
Franked income from UK equity investments	5,105	4,879
Income from Liquidity funds	11	22
Income from overseas equity investments	669	649
Interest distributions from Investment Trusts	33	37
Interest on bank and term deposits	2	1
Interest on fixed-interest securities	-	(237)
Property income distributions	66	-
Stock dividends	-	48
Total revenue	<u>5,886</u>	<u>5,399</u>

3. Expenses

	2014	2013
	£'000	£'000
Payable to the ACD or associate of the ACD:		
ACD fee	3,931	3,554
Fixed expenses	568	512
Total expenses	<u>4,499</u>	<u>4,066</u>

4. Taxation

	2014	2013
	£'000	£'000
a) Analysis of charge in the year		
Corporation tax at 20%	-	-
Current year tax charge (Note 4b)	<u>-</u>	<u>-</u>

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	1,387	1,333
Corporation tax at 20%	<u>277</u>	<u>267</u>
Effects of:		
Dividends not subject to corporation tax	(1,155)	(1,115)
Excess expenses for which no relief taken	878	813
Non-trade deficit set against current year income	<u>-</u>	<u>35</u>
	<u>(277)</u>	<u>(267)</u>
Current year tax charge (Note 4a)	<u>-</u>	<u>-</u>

No deferred tax asset has been recognised in the financial statements. At the year end date, the Fund had a potential unrecognised deferred tax asset of £16,942,006 (31.01.13: £16,064,443) in relation to £84,710,030 (31.01.13: £80,322,214) 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.

5. Finance costs

Distributions

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

	2014	2013
	£'000	£'000
Final dividend distribution	1,350	1,285
Add: Amounts payable on cancellation of shares	50	50
Deduct: Amounts receivable on issue of shares	<u>(6)</u>	<u>(4)</u>
Total finance costs	<u>1,394</u>	<u>1,331</u>

Details of the distribution per share are set out on page 245.

6. Movement between net revenue after taxation and distributions

	2014	2013
	£'000	£'000
Net revenue after taxation	1,387	1,333
Add: Undistributed revenue brought forward	(4)	2
Deduct: Undistributed revenue carried forward	4	(4)
Equalisation on conversions	7	-
	<u>1,394</u>	<u>1,331</u>

7. Debtors

	2014	2013
	£'000	£'000
Accrued income	207	355
Due from the ACD for shares created	-	40
Income tax recoverable	-	28
Overseas tax recoverable	14	1
Sales awaiting settlement	<u>397</u>	<u>441</u>
Total debtors	<u>618</u>	<u>865</u>

8. Cash and bank balances

	2014	2013
	£'000	£'000
Cash and bank balances	<u>699</u>	<u>339</u>

9. Creditors

	2014	2013
	£'000	£'000
Accrued expenses	392	363
Due to the ACD for shares cancelled	166	416
Purchases awaiting settlement	-	1,660
Total creditors	<u>558</u>	<u>2,439</u>

Notes to the financial statements – continued

10. Portfolio transaction costs

	2014 £'000	2013 £'000
Analysis of total purchase costs		
Purchases in year before transaction costs	52,158	60,459
Commissions	47	45
Taxes	144	134
Total purchase costs	191	179
Gross purchases total	52,349	60,638
Analysis of total sale costs		
Gross sales before transaction costs	75,144	76,338
Commissions	(91)	(90)
Total sale costs	(91)	(90)
Total sales net of transaction costs	75,053	76,248

11. 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 £557,971 (31.01.13: £739,069). Details of related party transactions are given under note 13 on page 413.

Investments considered to be related parties have been identified in the portfolio statement on page 240 and the revenue from these investments was £716,481 (31.01.13: £1,137,677).

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 (31.01.13: £14,212). 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 11.25% (31.01.13: 10.51%)

12. 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, 1.17% (31.01.13: 2.3%) of the Fund's net assets by value were interest bearing, carrying a (fixed/floating) rate.

For consideration of other risks including liquidity, pricing and credit risk, please refer to the notes to the aggregated financial statements, pages 413 to 414.

13. 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 fixed expenses charge are shown below.

	ACD fee	Fixed expenses
Class A shares:	1.25%	0.18%
Class B shares:	0.80%	0.18%
Class C shares:	0.65%	0.18%

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 239. All classes have the same rights on winding up.

14. Contingent liabilities and capital commitments

At the balance sheet date there were no contingent liabilities or capital commitments (2013: none).

Distribution table

Final distribution in pence per share

Group 1 – Shares purchased prior to 1 February 2013

Group 2 – Shares purchased 1 February 2013 to 31 January 2014

	Gross revenue	Tax at 10%	Net revenue	Equalisation	Distribution payable 30.04.13	Distribution paid 30.04.12
A-Class Accumulation Shares						
Group 1	3.022222	0.302222	2.720000	-	2.720000	2.440000
Group 2	1.633864	0.163386	1.470478	1.249522	2.720000	2.440000
A-Class Income Shares						
Group 1	2.844444	0.284444	2.560000	-	2.560000	2.310000
Group 2	1.422862	0.142286	1.280576	1.279424	2.560000	2.310000
B-Class Accumulation Shares						
Group 1	6.088889	0.608889	5.480000	-	5.480000	3.040000
Group 2	5.084816	0.508482	4.576334	0.903666	5.480000	3.040000
B-Class Income Shares						
Group 1	5.511111	0.551111	4.960000	-	4.960000	-
Group 2	5.511111	0.551111	4.960000	0.000000	4.960000	-
C-Class Accumulation Shares						
Group 1	1.355556	0.135556	1.220000	-	1.220000	0.660000
Group 2	0.090412	0.009041	0.081371	1.138629	1.220000	0.660000
C-Class Income Shares						
Group 1	1.333333	0.133333	1.200000	-	1.200000	0.690000
Group 2	0.286063	0.028606	0.257457	0.942543	1.200000	0.690000

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.

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

Risk profile

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

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

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

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 in the 12 months to the end of January 2014. The Fund's small to mid cap bias was a hindrance for relative performance in the first six months of the period, but small to mid cap resource stocks started to perform in line with the large cap end of the resources sector from July 2013 onwards. Our underweight exposure to gold mining equities contributed positively, as gold equities fell close to 50% over the period. We also had some stock-picking success in the energy and mining sectors. On the energy side, DNO International, Exillon Energy and Gran Tierra all comfortably outperformed the energy sector. On the mining side we capitalised on stock-specific catalysts that have defied the broader sell-off in the sector; holdings such as Freeport McMoran, Lucara Diamond and Platinum Group Metals would fall within this category.

Fund outlook

We expect a more benign macroeconomic environment in 2014 to positively affect commodity prices, which remain close to the marginal cost of production in many instances. At the same time, we believe consensus expectations on the level of supply likely to hit the market this year are too high, particularly in copper and iron ore. As such, we anticipate commodity prices to surprise to the upside. At the same time, we are optimistic regarding the bottom-up self-help being exercised by new management teams within the sector. We believe that changes in senior leadership and the clear demands of shareholders have substantially raised the probability that companies will find a better balance between allocating the free cashflow for re-investment in new projects and returning cash to shareholders.

12 month performance as at 31 January

	2014	2013	2012	2011	2010
JPM Natural Resources A-Class Acc	-23.7%	-20.7%	-15.5%	47.4%	79.4%
JPM Natural Resources B-Class Acc	-23.3%	-20.3%	-15.1%	48.1%	80.4%
JPM Natural Resources C-Class Acc	-23.1%	-	-	-	-
Benchmark Index	-22.8%	-10.2%	-2.0%	34.0%	39.3%

Fund statistics

Risk and Reward Profile	7*
Fund size	£994.3m
Benchmark Index	Euromoney Gold Mining, Gold and Energy Index (Net)
Fund charges	
A-Class	Initial 3.00%, Annual 1.50%
B-Class	Initial Nil, Annual 1.00%
C-Class	Initial Nil, Annual 0.75%

Top ten holdings (excluding Liquidity funds) %

Freeport-McMoRan Copper & Gold	5.6
Glencore Xstrata	5.3
BHP Billiton	5.2
First Quantum Minerals	5.2
Rio Tinto	5.1
Anadarko Petroleum	3.4
Royal Dutch Shell 'B'	3.3
Lundin Mining	3.1
Petra Diamonds	2.4
Cenovus Energy	2.2

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

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

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

Source: J.P. Morgan.

Sector breakdown

	%
Base metals & diversified	42.4
Oil & gas	29.8
Gold & silver	12.6
Diamonds & precious stones	5.3
Liquidity funds	3.1
Others	3.1
Platinum	1.7
Uranium	1.7
Coal	0.5
Net other liabilities	(0.2)

Highest/lowest share price and distribution record

Calendar year	Highest share price	Lowest share price	Distribution per share (net)
A-Class Accumulation Shares			
2009	827.4p	387.7p	0.00p
2010	1,182p	729.7p	0.00p
2011	1,194p	762.0p	0.00p
2012	969.8p	668.7p	0.00p
2013	758.6p	521.6p	0.00p
2014 ^A	588.0p	562.3p	0.16p
A-Class Income Shares			
2009	58.66p	27.49p	0.00p
2010	83.83p	51.73p	0.00p
2011	84.60p	54.03p	0.00p
2012	68.76p	47.41p	0.00p
2013	53.79p	36.98p	0.00p
2014 ^A	41.69p	39.87p	0.01p
B-Class Accumulation Shares			
2009	93.46p	43.59p	0.00p
2010	134.3p	82.49p	0.00p
2011	135.5p	86.91p	0.00p
2012	110.8p	76.59p	0.00p
2013	87.11p	60.00p	0.00p
2014 ^A	67.85p	64.89p	0.36p
B-Class Income Shares^B			
2013	43.73p	39.72p	0.00p
2014 ^A	41.72p	39.90p	0.04p
C-Class Accumulation Shares^C			
2012	783.1p	707.0p	0.00p
2013	759.9p	524.0p	0.00p
2014 ^A	593.4p	567.5p	4.74p
C-Class Income Shares^C			
2012	55.53p	50.13p	0.00p
2013	53.87p	37.15p	0.00p
2014 ^A	42.06p	40.23p	0.33p

^A To 31 January 2014.

^B B-Class Income shares were launched on 6 November 2013.

^C C-Class Accumulation Shares and C-Class Income Shares were launched on 22 October 2012.

Portfolio turnover rate

31.01.13	42.0%
31.01.14	37.0%

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

Portfolio transaction costs

	Broker Commissions	Transaction Taxes	Total
31.01.13	0.07%	0.02%	0.09%
31.01.14	0.07%	0.03%	0.10%

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

Stamp duty reserve tax

31.01.13	0.01%
31.01.14	0.02%

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

Net asset values and Ongoing charges

Date	Net asset value per share class £'000	Number of shares	Net asset value per share	Ongoing charges
A-Class Accumulation Shares				
31.01.12	2,144,226	230,377,642	930.7p	1.68%
31.01.13	1,495,315	201,593,014	741.8p	1.68%
31.01.14	878,476	155,879,519	563.6p	1.68%
A-Class Income Shares				
31.01.12	49,978	75,735,140	65.99p	1.68%
31.01.13	42,147	80,140,439	52.59p	1.68%
31.01.14	19,175	47,995,762	39.95p	1.68%
B-Class Accumulation Shares				
31.01.12	40,571	38,153,191	106.3p	1.15%
31.01.13	28,602	33,574,463	85.19p	1.18%
31.01.14	10,809	16,621,096	65.04p	1.18%
B-Class Income Shares				
31.01.14	43	107,683	39.95p	1.18%
C-Class Accumulation Shares				
31.01.13	3,805	512,047	743.1p	0.93%
31.01.14	74,993	13,184,313	568.8p	0.93%
C-Class Income Shares				
31.01.13	643	1,220,117	52.69p	0.93%
31.01.14	10,765	26,915,969	39.99p	0.93%

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

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

Portfolio statement

As at 31 January 2014

Investment	Holding	Market value £'000	Total net assets %	Investment	Holding	Market value £'000	Total net assets %
Base metals & diversified - 42.4% (38.0%)							
Antofagasta	1,834,723	15,742	1.6	Providence Resources	1,714,808	3,944	0.4
AQM Copper Warrants 2014 (CAD 1.00)#	2,238,777	-	-	Royal Dutch Shell 'B'	1,449,551	32,506	3.3
Archipelago Metals#	1,531,897	-	-	Sino Gas & Energy	30,095,455	3,265	0.3
Augusta Resource (CAD)	4,985,239	5,383	0.5	Strata-X Energy	6,826,161	1,192	0.1
Augusta Resource (USD)	543,023	591	0.1	Suncor Energy	253,000	5,000	0.5
BHP Billiton (AUD)	624,952	12,094	1.2	Tethys Petroleum	12,666,717	3,979	0.4
BHP Billiton (USD)	2,249,369	40,208	4.0	Trap Oil Group	9,491,608	854	0.1
Cape Lambert Resources	17,382,276	1,058	0.1	Tullow Oil	900,000	7,092	0.7
Capstone Mining	2,423,000	3,852	0.4	WesternZagros Resources	7,869,065	4,227	0.4
Duluth Metals	2,929,464	1,478	0.1	Gold & silver - 12.6% (23.7%)			
Equatorial Resources	2,803,545	831	0.1	Alamos Gold	508,364	2,805	0.3
Ferrexpo	6,552,113	9,815	1.0	Amara Mining	7,802,664	1,053	0.1
Ferrox#	150,825	-	-	Asanko Gold	3,197,327	3,036	0.3
Ferrox Warrants 2014 (CAD 0.80)	75,413	-	-	Aureus Mining	11,294,141	3,501	0.4
First Quantum Minerals	4,702,016	51,692	5.2	Aureus Mining Warrant 2014 (CAD 0.625)#	1,306,493	-	-
Fortescue Metals Group	7,155,108	20,143	2.0	B2Gold	3,689,010	5,205	0.5
Freeport-McMoRan Copper & Gold	2,814,191	55,414	5.6	Banro	6,705,444	2,074	0.2
Glencore Xstrata	16,314,548	52,264	5.3	Barrick Gold	1,500,000	17,516	1.8
Hudbay Minerals	1,154,431	5,632	0.6	Beadell Resources	5,334,959	2,047	0.2
Indophil Resources	1,838,473	146	-	Eldorado Gold	1,354,288	5,225	0.5
Ivernia	23,221,362	1,701	0.2	Endeavour Mining	4,901,494	1,660	0.2
Kagara ¹	15,814,343	-	-	Gascoyne Resources	6,414,785	526	0.1
Lundin Mining	10,502,439	27,868	2.8	Goldcorp	724,030	10,572	1.1
Lundin Mining SDR	952,671	2,502	0.3	Gryphon Minerals	4,279,581	396	-
Marengo Mining	20,497,959	167	-	Highland Gold Mining*	4,963,417	3,102	0.3
Mawson West	7,616,285	2,438	0.2	KalNorth Gold Mines	2,538,036	19	-
MMC Norilsk Nickel ADR	1,435,628	13,415	1.3	Kinross Gold	3,206,838	8,909	0.9
Mwana Africa	36,886,912	516	-	Kinross Gold Warrants 2014 (USD 21.30)	237,358	4	-
Ormonde Mining	20,095,599	1,105	0.1	Loncor Resources	2,592,113	197	-
Panoro Minerals	10,288,850	1,703	0.2	Minera IRL*	3,841,362	403	-
Papillon Resources	1,467,114	908	0.1	New Gold	1,746,167	6,140	0.6
Papua Mining	1,309,923	393	-	Norseman Gold CDI [†]	762,137	-	-
Regulus Resources Warrants 2014 (CAD 1.60)#	1,516,882	-	-	Norseman Gold [†] *	2,245,867	-	-
Reservoir Minerals	1,226,201	4,125	0.4	Northern Star Mining#	1,305,160	-	-
Rex Minerals	3,514,363	818	0.1	Northern Star Mining (R1933) [†]	8,500,000	1	-
Rio Tinto	1,563,334	50,261	5.1	Northern Star Resources	3,783,802	1,762	0.2
Sable Mining Africa	47,648,789	5,122	0.5	Nyota Minerals	33,795,687	127	-
Sandfire Resources	2,121,007	6,510	0.7	Oceanagold	5,754,134	6,181	0.6
Sirius Resources	2,486,755	2,882	0.3	Pan American Silver Warrants 2014 (CAD 35.00)#	211,493	-	-
Sundance Resources	18,387,486	973	0.1	Randgold Resources ADS	320,098	13,292	1.3
Teck Resources 'B'	826,442	12,189	1.2	Real Gold Mining [†]	2,943,500	-	-
Tiger Resources	12,670,548	2,514	0.3	Reed Resources	10,792,868	291	-
Timah	26,529,906	1,689	0.2	Romarco Minerals	7,398,187	2,208	0.2
Trevali Mining	4,603,800	2,573	0.3	Romarco Minerals (Restricted Mar 2014)#	8,041,799	2,400	0.3
Western Areas	1,710,900	2,408	0.2	Sarama Resources	2,347,382	210	-
Windimurra Vanadium#	843,814	-	-	Sarama Resources Warrants 2014#	1,173,691	-	-
Oil & gas - 29.8% (25.5%)							
3Legs Resources	2,893,311	687	0.1	Silver Wheaton	971,725	12,813	1.3
Africa Oil	773,908	3,426	0.3	Silvercrest Mines	788,812	903	0.1
African Petroleum	2,508,701	319	-	Swan Gold Mining [†]	6,577,726	-	-
Amerisur Resources	16,228,118	8,398	0.8	Yamana Gold	1,877,388	10,870	1.1
Anadarko Petroleum	690,687	34,179	3.4	Diamonds & precious stones - 5.3% (2.6%)			
Apache	202,000	9,970	1.0	Dominion Diamond	685,469	5,977	0.6
Argos Resources	5,216,122	587	0.1	Firestone Diamond (Placing)#	26,635,561	799	0.1
Armour Energy	9,526,713	832	0.1	Firestone Diamonds	27,926,748	1,047	0.1
Armour Energy Warrants 2014 (AUD 0.50)#	2,381,678	-	-	Gem Diamonds	1,429,007	2,247	0.2
Aurora Oil & Gas	10,977,444	15,858	1.6	Kennady Diamonds	461,524	1,007	0.1
Beach Energy	7,336,792	5,513	0.6	Kennady Diamonds (Restricted Apr 2014)	58,100	127	-
Borders & Southern Petroleum	7,101	1	-	Lucara Diamond	12,206,517	10,068	1.0
Calvalley Petroleum	3,107,983	2,816	0.3	Mantle Diamonds#	1,613,220	47	-
Caracal Energy	1,388,227	6,108	0.6	Mink International [‡]	107,000	-	-
Cenovus Energy	1,351,282	21,469	2.2	Mountain Province Diamonds	2,692,228	7,377	0.8
Continental Resources	185,000	12,234	1.2	Petra Diamonds*	17,795,787	24,220	2.4
DNO International	11,294,623	21,805	2.2	Tabora#	1,905,343	-	-
Eland Oil & Gas	1,150,375	1,122	0.1	Sayona Mining	1,617,325	2	-
Energy XXI (Bermuda)	243,427	3,507	0.4	Stornoway Diamond Warrants 2014 (CAD 1.20)#	166,717	-	-
Gran Tierra Energy	2,800,915	12,584	1.3	Target Resources [‡]	5,864,454	-	-
Hurricane Energy#	9,982,418	4,292	0.4	Tsar Emerald [‡]	8,955,110	-	-
IGAS Energy	1,279,327	1,615	0.2	Others - 3.1% (3.3%)			
International Petroleum [†]	24,141,040	-	-	Altus Renewables#	681,160	-	-
Jordan Energy and Mining#	218,970	299	-	Base Resources	6,316,982	1,387	0.1
Lundin Petroleum	1,400,997	14,782	1.5	Energizer Resources	12,946,000	1,019	0.1
Mitra Energy#	2,224,487	4,392	0.4	Energizer Resources (Placing 2013)#	6,473,000	-	-
Neon Energy	5,977,100	130	-	Kenmare Resources	45,427,612	8,177	0.8
Nostrum Oil & Gas GDR	2,819,907	18,417	1.9	Leaf Clean Energy	2,983,052	1,432	0.2
Occidental Petroleum	327,719	17,577	1.8	Mineral Deposits	1,267,053	1,495	0.2
Pancontinental Oil & Gas	16,643,986	388	-	New Britain Palm Oil	715,859	2,362	0.2
Parex Resources	2,294,969	9,203	0.9	Pathfinder Minerals	45,728,221	183	-
President Energy	4,463,200	1,964	0.2	Serra Rutile	22,826,674	13,867	1.4
				World Titanium Resources [†]	13,891,832	581	0.1

Portfolio statement – continued

As at 31 January 2014

Investment	Holding	Market value	Total net
		£'000	assets %
Platinum – 1.7% (1.3%)			
Aquarius Platinum	3,175,180	1,246	0.1
Impala Platinum	637,301	3,944	0.4
Jubilee Platinum*	1,153,065	21	-
Platinum Group Metals	17,481,681	12,332	1.2
Sylvania Platinum	4,741,305	261	-
Uranium – 1.7% (0.2%)			
Alpha Exploration	268,850	92	-
Cameco Corporation	495,275	6,590	0.7
Denison Mines	2,880,544	2,470	0.3
Fission	3,963,000	333	-
Fission Uranium	8,572,852	5,582	0.6
Global Atomic Fuels#	2,057,770	1,418	0.1
Coal – 0.5% (1.8%)			
Bathurst Resources	20,291,647	1,933	0.2
Eastcoal	1,166,011	9	-
Mongolian Mining	7,326,500	470	0.1
New Hope Coal	1,252,327	2,319	0.2
Liquidity funds – 3.1% (3.9%)			
JPM Sterling Liquidity 'X' (Distribution)^\$	30,571,641	30,572	3.1
Investment assets		996,117	100.2
Net other liabilities		(1,856)	(0.2)
Net assets		994,261	100.0

Unless otherwise stated the above securities are admitted to official stock exchange listings or trade on a regulated market.

The comparative percentage figures in brackets are at 31 January 2013.

* Listed on Alternative Investment Market (AIM)

† Suspended security

Unquoted security

‡ Delisted security

^ Deemed to be investment in related parties of the ACD

\$ Approved security as defined in the Collective Investment Schemes sourcebook

Portfolio movements

For the year ending 31 January 2014

	£'000		£'000
Total of all purchases for the year (Note 10)	450,780	Total of all sales for the year (Note 10)	673,423
Major purchases	Cost	Major sales	Proceeds
JPM Sterling Liquidity 'X' (Distribution)^	180,696	JPM Sterling Liquidity 'X' (Distribution)^	210,800
Royal Dutch Shell 'B'	29,664	Canadian Natural Resources	26,496
BHP Billiton (USD)	20,323	Rio Tinto	22,164
Barrick Gold	17,252	Exillon Energy	20,049
Freeport-McMoRan Copper & Gold	12,187	Afren	16,274
Lundin Mining	11,747	Eurasian Natural Resources	15,320
Continental Resources	11,581	Coastal Energy	14,406
Apache	11,200	Newmont Mining	13,512
MMC Norilsk Nickel ADR	10,329	DNO International	13,286
First Quantum Minerals	8,944	Pacific Rubiales Energy	13,283
Tullow Oil	7,819	Fortescue Metals Group	13,255
Sandfire Resources	6,214	First Quantum Minerals	12,495
Suncor Energy	5,688	Barrick Gold	12,024
Antofagasta	5,131	Newcrest Mining	10,570
Cenovus Energy	5,130	Glencore Xstrata	10,334
Rio Tinto	4,667	Energy XXI (Bermuda)	9,727
Fission Uranium	4,517	African Minerals	9,710
Caracal Energy	4,293	Rio Alto Mining	9,175
Capstone Mining	3,964	Eldorado Gold	8,520
Africa Oil	3,711	SEMAFO	8,495

^ Deemed to be investment in related parties of the ACD

Financial statements

Statement of total return

For the year ending 31 January

	2014	2013
£'000	£'000	£'000
Income		
Net capital losses (Note 1)	(356,396)	(437,623)
Revenue (Note 2)	21,879	21,710
Expenses (Note 3)	(19,201)	(29,620)
Net revenue/(expenses) before taxation	2,678	(7,910)
Taxation (Note 4)	(1,899)	(1,551)
Net revenue/(expenses) after taxation	779	(9,461)
Total return before distributions	(355,617)	(447,084)
Finance costs: Distributions (Note 5)	(1,032)	542
Change in net assets attributable to shareholders from investment activities	(356,649)	(446,542)

Balance sheet

As at 31 January

	2014	2013
£'000	£'000	£'000
ASSETS		
Investment assets	996,117	1,575,130
Debtors (Note 7)	4,540	2,753
Cash and bank balances (Note 8)	122	22
Total other assets	4,662	2,775
Total assets	1,000,779	1,577,905
LIABILITIES		
Creditors (Note 9)	(6,424)	(7,393)
Distribution payable on income shares	(94)	-
Total liabilities	(6,518)	(7,393)
Net assets attributable to shareholders	994,261	1,570,512

The notes to these financial statements are shown on pages 252 to 253.

Statement of change in net assets attributable to shareholders

For the year ending 31 January

	2014	2013
£'000	£'000	£'000
Opening net assets attributable to shareholders	1,570,512	2,234,775
Amounts transferred to other funds	(57,574)	-
Amounts receivable on issue of shares	70,892	39,136
Amounts payable on cancellation of shares	(233,673)	(256,608)
	(220,355)	(217,472)
Change in net assets attributable to shareholders from investment activities (see above)	(356,649)	(446,542)
Retained distributions on accumulation shares	934	-
Stamp duty reserve tax	(181)	(249)
Closing net assets attributable to shareholders	994,261	1,570,512

Notes to the financial statements for the year ending 31 January 2014

1. Net capital losses

	2014	2013
	£'000	£'000
Currency losses	(27)	(774)
Non-derivative securities	(356,369)	(436,849)
Net capital losses	<u>(356,396)</u>	<u>(437,623)</u>

2. Revenue

	2014	2013
	£'000	£'000
Franked income from UK equity investments	4,511	5,146
Income from Liquidity funds	140	290
Income from overseas equity investments	17,227	16,229*
Interest on bank and term deposits	1	2
Interest on fixed-interest securities	-	43*
Total revenue	<u>21,879</u>	<u>21,710</u>

* The prior year comparatives have been restated to ensure consistent disclosure with the current year.

3. Expenses

	2014	2013
	£'000	£'000
Payable to the ACD or associate of the ACD:		
ACD fee	17,107	26,423
Fixed expenses	2,094	3,197
Total expenses	<u>19,201</u>	<u>29,620</u>

4. Taxation

	2014	2013
	£'000	£'000
a) Analysis of charge in the year		
Overseas tax provision	-	9
Overseas tax suffered	1,899	1,542
Current year tax charge (Note 4b)	<u>1,899</u>	<u>1,551</u>

b) Factors affecting the tax charge for the year

The tax assessed for the year is higher 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/(expenses) before taxation	2,678	(7,910)
Corporation tax at 20%	<u>536</u>	<u>(1,582)</u>

Effects of:

Dividends not subject to corporation tax	(4,198)	(4,164)
Excess expenses for which no relief taken	3,677	5,760
Overseas tax expensed	(15)	(14)
Overseas tax provision	-	9
Overseas tax suffered	1,899	1,542
	<u>1,363</u>	<u>3,133</u>
Current year tax charge (Note 4a)	<u>1,899</u>	<u>1,551</u>

No deferred tax asset has been recognised in the financial statements. At the year end date, the Fund had a potential unrecognised deferred tax asset of £34,097,189 (31.01.13: £30,419,441) in relation to £170,485,946 (31.01.13: £152,097,204) 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.

5. Finance costs

Distributions

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

	2014	2013
	£'000	£'000
Final dividend distribution	1,028	-
Add: Amounts payable on cancellation of shares	340	(607)
Deduct: Amounts receivable on issue of shares	(336)	65
Total finance costs	<u>1,032</u>	<u>(542)</u>

Details of the distribution per share are set out on page 254.

6. Movement between net revenue/(expenses) after taxation and distributions

	2014	2013
	£'000	£'000
Net revenue/(expenses) after taxation	779	(9,461)
Add: Net expense payable from capital	-	8,919
Deduct: Undistributed revenue carried forward	(18)	-
Equalisation on conversions	271	-
	<u>1,032</u>	<u>(542)</u>

7. Debtors

	2014	2013
	£'000	£'000
Accrued income	481	500
Due from the ACD for shares created	2,650	860
Overseas tax recoverable	137	35
Sales awaiting settlement	1,272	1,358
Total debtors	<u>4,540</u>	<u>2,753</u>

8. Cash and bank balances

	2014	2013
	£'000	£'000
Cash and bank balances	<u>122</u>	<u>22</u>

9. Creditors

	2014	2013
	£'000	£'000
Accrued expenses	1,404	2,271
Due to the ACD for shares cancelled	3,699	4,870
Purchases awaiting settlement	1,321	252
Total creditors	<u>6,424</u>	<u>7,393</u>

Notes to the financial statements – continued

10. Portfolio transaction costs

	2014 £'000	2013 £'000
Analysis of total purchase costs		
Purchases in year before transaction costs	450,153	730,959
Commissions	224	369
Taxes	403	117
Total purchase costs	627	486
Gross purchases total	450,780	731,445
Analysis of total sale costs		
Gross sales before transaction costs	673,942	947,130
Commissions	(506)	(933)
Taxes	(13)	(104)
Total sale costs	(519)	(1,037)
Total sales net of transaction costs	673,423	946,093

11. 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 £2,452,885 (31.01.13: £6,280,715). Details of related party transactions are given under note 13 on page 413.

Investments considered to be related parties have been identified in the portfolio statement on pages 248 to 249 and the revenue from these investments was £139,954 (31.01.13: £290,312).

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 £30,505 (31.01.13: £177,997). 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:

- Cofunds Nominees Ltd 10.98% (31.01.13: 10.39%)

12. 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.

Currency	Net foreign currency assets/(liabilities)		
	Total £'000	Monetary exposures £'000	Non-monetary exposures £'000
31.01.14			
Canadian Dollar	287,531	1,279	286,252
US Dollar	222,746	475	222,271
Australian Dollar	99,380	-	99,380
Norwegian Krone	21,805	-	21,805
Swedish Krona	20,709	-	20,709
South African Rand	3,944	-	3,944
Indonesian Rupiah	1,689	-	1,689
Hong Kong Dollar	470	-	470
31.01.13			
Canadian Dollar	544,197	145	544,052
Australian Dollar	251,994	(3)	251,997
US Dollar	237,157	376	236,781
Swedish Krona	23,595	-	23,595
Norwegian Krone	20,747	-	20,747
South African Rand	9,520	83	9,437
Hong Kong Dollar	8,554	-	8,554
Indonesian Rupiah	7,442	-	7,442

Interest rate risk

At the year end date, 0.0% (31.01.13: 3.9%) of the Fund's net assets by value were interest bearing, carrying a (fixed/floating) rate.

For consideration of other risks including liquidity, pricing and credit risk, please refer to the notes to the aggregated financial statements, pages 413 to 414.

13. 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 fixed expenses charge are shown below.

	ACD fee	Fixed expenses
Class A shares:	1.50%	0.18%
Class B shares:	1.00%	0.18%
Class C shares:	0.75%	0.18%

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 247. All classes have the same rights on winding up.

14. Contingent liabilities and capital commitments

At the year end date the fund had the following contingent liabilities:

	2014 £'000	2013 £'000
Warrants	12,153	-

Distribution table

Final distribution in pence per share

Group 1 – Shares purchased prior to 1 February 2013

Group 2 – Shares purchased 1 February 2013 to 31 January 2014

	Gross revenue	Tax at 10%	Net revenue	Equalisation	Distribution payable 30.04.14	Distribution paid 30.04.13
A-Class Accumulation Shares						
Group 1	0.177778	0.017778	0.160000	-	0.160000	0.000000
Group 2	0.000000	0.000000	0.000000	0.160000	0.160000	0.000000
A-Class Income Shares						
Group 1	0.011111	0.001111	0.010000	-	0.010000	0.000000
Group 2	0.000000	0.000000	0.000000	0.010000	0.010000	0.000000
B-Class Accumulation Shares						
Group 1	0.400000	0.040000	0.360000	-	0.360000	0.000000
Group 2	0.078452	0.007845	0.070607	0.289393	0.360000	0.000000
B-Class Income Shares						
Group 1	0.044444	0.004444	0.040000	-	0.040000	-
Group 2	0.044444	0.004444	0.040000	0.000000	0.040000	-
C-Class Accumulation Shares						
Group 1	5.266667	0.526667	4.740000	-	4.740000	0.000000
Group 2	0.476690	0.047669	0.429021	4.310979	4.740000	0.000000
C-Class Income Shares						
Group 1	0.366667	0.036667	0.330000	-	0.330000	0.000000
Group 2	0.090432	0.009043	0.081389	0.248611	0.330000	0.000000

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 New Europe Fund

Investment objective and policy

To provide long-term capital growth by investing primarily in companies operating or investing in central and eastern Europe and Russia.

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

The Fund will have exposure to smaller companies.

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

Risk profile

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

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

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

2013 was a challenging year for emerging market equities, which delivered their worst performance relative to developed markets since the Asian financial and Russian current account deficit crises. Growth concerns combined with earnings disappointment weighed on the asset class, while political noise in Brazil, Turkey and Egypt added to the negative headlines. The Federal Reserve's tapering comments at the end of May impacted countries running current account deficits and their currencies took much of the hit.

The Fund outperformed its index in the period, but delivered a negative return in a challenging year for the region. Both stock selection and asset allocation contributed positively, with Russia the key contributor. In Russia, underweight positions in weaker names benefited, as did active positions in stocks we favour. Our zero weight in utilities across the region was a strong positive contributor as the sector underperformed. Names in Turkey detracted as the market had a difficult second half to the year, but our cautious approach and underweight exposure mitigated these losses. Greece rejoined the universe in November, and our zero exposure to the market detracted as it performed strongly on re-entry, benefiting from strong flows.

Fund outlook

The first quarter showed that it does not take much to spark a rally in an oversold asset class like emerging market equities. Eastern Europe has lagged the broader asset class recently, as Russia and the Crimea question have dominated investor concerns. That said, even Russian stocks rallied at the end of March, due to an apparent easing of tensions. We have not made material changes to our portfolios based on the developments in Ukraine, although we are now more cautious on that market, despite the compelling valuations on offer.

12 month performance as at 31 January

	2014	2013	2012	2011	2010
JPM New Europe A-Class Acc	-17.5%	14.8%	-19.9%	22.2%	137.7%
JPM New Europe B-Class Acc	-17.1%	15.3%	-19.4%	22.8%	138.8%
JPM New Europe C-Class Acc	-16.9%	-	-	-	-
Benchmark Index	-19.2%	11.4%	-12.5%	16.9%	98.9%

Fund statistics

Risk and Reward Profile	7*
Fund size	£128.1m
Benchmark Index	MSCI Emerging Markets Europe Index (Net)
Fund charges	
A-Class	Initial 3.00%, Annual 1.50%
B-Class	Initial Nil, Annual 1.00%
C-Class	Initial Nil, Annual 0.75%

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

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

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

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

Source: J.P. Morgan.

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

Top ten holdings (excluding Liquidity funds) %

Lukoil ADR	9.8
Sberbank	9.6
Gazprom ADR	9.1
Magnit	4.8
Novatek GDR	4.7
Powszechna Kasa Oszczednosci Bank Polski	4.1
Mobile Telesystems	4.1
MMC Norilsk Nickel ADR	4.0
JPMorgan Russian Securities [^]	3.8
Powszechny Zaklad Ubezpieczen	3.0

[^] Deemed to be investment in related parties of the ACD

Geographical breakdown %

Russia	69.8
Poland	12.9
Turkey	8.2
Kazakhstan	2.9
Turkmenistan	2.9
Ukraine	1.7
Liquidity funds	1.0
Sweden	1.0
Net other liabilities	(0.4)

Highest/lowest share price and distribution record

Calendar year	Highest share price	Lowest share price	Distribution per share (net)
A-Class Accumulation Shares			
2009	185.1p	74.22p	2.16p
2010	241.2p	183.2p	0.14p
2011	250.2p	155.9p	0.00p
2012	204.3p	162.0p	1.51p
2013	222.8p	187.3p	3.30p
2014 ^A	196.4p	175.7p	3.96p
A-Class Income Shares			
2009	47.43p	18.90p	0.55p
2010	61.77p	46.92p	0.04p
2011	64.08p	39.93p	0.00p
2012	51.23p	40.64p	0.98p
2013	55.65p	46.82p	0.23p
2014 ^A	49.06p	43.88p	1.00p
B-Class Accumulation Shares			
2009	89.34p	35.67p	1.33p
2010	117.1p	88.50p	0.43p
2011	121.4p	75.96p	0.37p
2012	99.77p	79.21p	1.26p
2013	109.4p	92.02p	2.10p
2014 ^A	96.77p	86.64p	2.38p
B-Class Income Shares^B			
2013	51.88p	48.30p	0.00p
2014 ^A	49.09p	43.94p	1.06p
C-Class Accumulation Shares^C			
2012	200.9p	184.0p	-
2013	223.6p	188.4p	3.70p
2014 ^A	198.3p	177.5p	5.52p
C-Class Income Shares^C			
2012	50.41p	46.15p	-
2013	55.08p	46.42p	0.91p
2014 ^A	48.86p	43.74p	1.35p

^A To 31 January 2014.

^B B-Class Income Shares were launched on 5 November 2013.

^C C-Class Accumulation Shares and C-Class Income Shares were launched on 22 October 2012.

Portfolio turnover rate

31.01.13	65.7%
31.01.14	32.4%

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

Portfolio transaction costs

	Broker Commissions	Transaction Taxes	Total
31.01.13	0.06%	0.02%	0.08%
31.01.14	0.09%	0.01%	0.10%

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

Stamp duty reserve tax

31.01.13	0.00%
31.01.14	0.00%

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

Net asset values and Ongoing charges

Date	Net asset value per share class £'000	Number of shares	Net asset value per share	Ongoing charges
A-Class Accumulation Shares				
31.01.12	189,446	102,229,669	185.3p	1.68%
31.01.13	192,754	90,565,413	212.8p	1.68%
31.01.14	111,851	63,768,575	175.4p	1.68%
A-Class Income Shares				
31.01.12	2,121	4,564,105	46.48p	1.68%
31.01.13	2,425	4,561,434	53.17p	1.68%
31.01.14	1,436	3,355,052	42.81p	1.68%
B-Class Accumulation Shares				
31.01.12	4,973	5,497,662	90.45p	1.15%
31.01.13	4,830	4,623,515	104.4p	1.18%
31.01.14	6,008	6,946,466	86.49p	1.18%
B-Class Income Shares				
31.01.14	2	5,500	42.80p	1.18%
C-Class Accumulation Shares				
31.01.13	227	106,365	213.4p	0.93%
31.01.14	8,491	4,791,019	177.2p	0.93%
C-Class Income Shares				
31.01.13	2	4,337	52.58p	0.93%
31.01.14	359	847,224	42.32p	0.93%

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

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

Portfolio statement

As at 31 January 2014

Investment	Holding	Market value £'000	Total net assets %
Russia - 69.8% (62.8%)			
AO Tatneft ADS	175,886	3,558	2.8
Cherkizovo Group GDR	216,748	1,501	1.2
Dixy Group	312,289	1,787	1.4
EPAM Systems	34,990	884	0.7
EurAsia Drilling Company GDR	97,987	2,036	1.6
Gazprom ADR	2,329,600	11,634	9.1
JPMorgan Russian Securities [^]	1,039,279	4,908	3.8
Lukoil ADR	365,210	12,514	9.8
Luxoft Holding	33,510	763	0.6
Magnit	42,980	6,156	4.8
Magnitogorsk Iron & Steel Works GDR	621,149	997	0.8
Mechel ADR Preference	541,018	138	0.1
Mechel Preference	240,697	136	0.1
MegaFon GDR	75,500	1,372	1.1
MMC Norilsk Nickel ADR	554,751	5,184	4.0
Mobile Telesystems	562,531	2,808	2.2
Mobile Telesystems ADR	230,139	2,409	1.9
Mostotrest	755,347	1,547	1.2
Novatek GDR	81,200	6,029	4.7
Phosagro GDR	105,400	647	0.5
Ros Agro GDR	277,000	994	0.8
Sberbank	2,977,927	4,863	3.8
Sberbank ADR	1,129,835	7,400	5.8
Severstal GDR	108,400	529	0.4
Sistema GDR	176,983	2,801	2.2
Sollers	74,200	908	0.7
Surgutneftegaz Preference	6,404,720	2,773	2.2
TCS Group GDR	244,494	1,604	1.2
TMK GDR	54,370	355	0.3
Poland - 12.9% (9.0%)			
Alior Bank	89,639	1,515	1.2
Bank Zachodni WBK	18,100	1,321	1.0
Eurocash	224,109	1,738	1.4
KGHM Polska Miedz	139,900	2,876	2.2
Powszechna Kasa Oszczednosci Bank Polski	678,901	5,318	4.1
Powszechny Zaklad Ubezpieczen	48,346	3,842	3.0
Turkey - 8.2% (17.6%)			
Akbank T.A.S.	449,700	693	0.5
Arcelik	209,660	621	0.5
Bim Birlesik Magazalar	160,630	1,626	1.3
Enka Insaat	384,000	637	0.5
TAV Havalimanlari	264,321	1,201	0.9
Turkcell Iletisim Hizmetleri	686,725	2,003	1.6
Turkiye Garanti Bankasi†	1,279,447	2,019	1.6
Turkiye Halk Bankasi	578,010	1,720	1.3
Kazakhstan - 2.9% (2.7%)			
Kcell GDR	144,500	1,457	1.1
Nostrum Oil & Gas GDR	325,759	2,128	1.7
Steppe Cement	413,335	180	0.1
Turkmenistan - 2.9% (2.8%)			
Dragon Oil	634,764	3,691	2.9
Ukraine - 1.7% (1.4%)			
Kernel	195,400	1,462	1.1
MHP GDR	76,700	732	0.6
Sweden - 1.0% (1.0%)			
Oriflame Cosmetics SDR	78,051	1,291	1.0
Liquidity funds - 1.0% (2.9%)			
JPM Sterling Liquidity 'X' (Distribution) [^] [§]	1,317,588	1,318	1.0
Investment assets		128,624	100.4
Net other liabilities		(477)	(0.4)
Net assets		128,147	100.0

Unless otherwise stated the above securities are admitted to official stock exchange listings or trade on a regulated market.

The comparative percentage figures in brackets are at 31 January 2013.

† Suspended security

[^] Deemed to be investment in related parties of the ACD

[§] Approved security as defined in the Collective Investment Schemes sourcebook

Portfolio movements

For the year ending 31 January 2014

	£'000		£'000
Total of all purchases for the year (Note 10)	56,455	Total of all sales for the year (Note 10)	96,556
Major purchases	Cost	Major sales	Proceeds
JPM Sterling Liquidity 'X' (Distribution)^	22,711	JPM Sterling Liquidity 'X' (Distribution)^	27,250
Gazprom ADR	4,722	Magnit GDR	5,668
Magnit	4,089	Lukoil ADR	5,205
KGHM Polska Miedz	2,926	Turkiye Garanti Bankasi	4,825
Magnit GDR	1,995	Turkiye Petrol Rafinerileri	4,644
Lukoil ADR	1,687	CTC Media	3,747
MegaFon GDR	1,653	Yapi ve Kredi Bankasi	3,648
Turkiye Halk Bankasi	1,523	Uralkali GDR	3,364
TCS Group GDR	2,355	Novatek GDR	3,077
TAV Havalimanlari	1,101	Turkiye Halk Bankasi	3,074
Akbank T.A.S.	997	Mobile Telesystems ADR	2,682
Bank Zachodni WBK	986	Sberbank ADR	2,675
Phosagro GDR	886	Powszechna Kasa Oszczednosci Bank Polski	2,355
Arcelik	831	Alliance Oil SDR	2,288
EurAsia Drilling Company GDR	817	Novolipetsk Iron and Steel GDS	2,219
MHP GDR	817	Dragon Oil	2,183
Bim Birlesik Magazalar	799	Turkiye Is Bankasi 'C'	1,965
AO Tatneft ADS	790	Sistema GDR	1,641
Enka Insaat	780	JPMorgan Russian Securities^	1,586
EPAM Systems	765	Tofas Turk Otomobil	1,500

^ Deemed to be investment in related parties of the ACD

Financial statements

Statement of total return

For the year ending 31 January

	£'000	2014 £'000	£'000	2013 £'000
Income				
Net capital (losses)/gains (Note 1)		(32,698)		23,032
Revenue (Note 2)	6,467		7,359	
Expenses (Note 3)	(2,771)		(3,172)	
Net revenue before taxation	3,696		4,187	
Taxation (Note 4)	(239)		(781)	
Net revenue after taxation		3,457		3,406
Total return before distributions		(29,241)		26,438
Finance costs: Distributions (Note 5)		(3,503)		(3,377)
Change in net assets attributable to shareholders from investment activities		(32,744)		23,061

Balance sheet

As at 31 January

	£'000	2014 £'000	£'000	2013 £'000
ASSETS				
Investment assets		128,624		201,313
Debtors (Note 7)	440		1,373	
Cash and bank balances (Note 8)	124		1,254	
Total other assets		564		2,627
Total assets		129,188		203,940
LIABILITIES				
Creditors (Note 9)	(996)		(3,691)	
Distribution payable on income shares	(45)		(11)	
Total liabilities		(1,041)		(3,702)
Net assets attributable to shareholders		128,147		200,238

The notes to these financial statements are shown on pages 261 to 262.

Statement of change in net assets attributable to shareholders

For the year ending 31 January

	£'000	2014 £'000	£'000	2013 £'000
Opening net assets attributable to shareholders		200,238		196,540
Amounts receivable on issue of shares	5,832		10,618	
Amounts payable on cancellation of shares	(48,130)		(33,064)	
		(42,298)		(22,446)
Change in net assets attributable to shareholders from investment activities (see above)		(32,744)		23,061
Retained distributions on accumulation shares		2,955		3,089
Stamp duty reserve tax		(4)		(6)
Closing net assets attributable to shareholders		128,147		200,238

Notes to the financial statements for the year ending 31 January 2014

1. Net capital (losses)/gains

	2014	2013
	£'000	£'000
Currency losses	(110)	-
Non-derivative securities	(32,588)	23,032
Net capital (losses)/gains	(32,698)	23,032

2. Revenue

	2014	2013
	£'000	£'000
Income from Liquidity funds	11	16
Income from overseas equity investments	6,455	7,339
Interest on bank and term deposits	1	4
Total revenue	6,467	7,359

3. Expenses

	2014	2013
	£'000	£'000
Payable to the ACD or associate of the ACD:		
ACD fee	2,467	2,831
Fixed expenses	304	341
Total expenses	2,771	3,172

4. Taxation

	2014	2013
	£'000	£'000
a) Analysis of charge in the year		
Overseas tax suffered	239	781
Current year tax charge (Note 4b)	239	781

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	3,696	4,187
Corporation tax at 20%	739	837
Effects of:		
Dividends not subject to corporation tax	(523)	(757)
Excess expenses for which no relief taken	(139)	(80)
Overseas tax expensed	(77)	-
Overseas tax suffered	239	781
	(500)	(56)
Current year tax charge (Note 4a)	239	781

No deferred tax asset has been recognised in the financial statements. At the year end date, the Fund had a potential unrecognised deferred tax asset of £706,218 (31.01.13: £845,132) in relation to £3,531,089 (31.01.13: £4,225,659) 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.

5. Finance costs

Distributions

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

	2014	2013
	£'000	£'000
Final dividend distribution	3,000	3,100
Add: Amounts payable on cancellation of shares	566	404
Deduct: Amounts receivable on issue of shares	(63)	(127)
Total finance costs	3,503	3,377

Details of the distribution per share are set out on page 263.

6. Movement between net revenue after taxation and distributions

	2014	2013
	£'000	£'000
Net revenue after taxation	3,457	3,406
Add: Undistributed revenue brought forward	6	4
Deduct: Prior year adjustment	-	(27)
Deduct: Undistributed revenue carried forward	(4)	(6)
Equalisation on conversions	44	-
	3,503	3,377

7. Debtors

	2014	2013
	£'000	£'000
Accrued income	-	48
Due from the ACD for shares created	207	113
Overseas tax recoverable	233	-
Sales awaiting settlement	-	1,212
Total debtors	440	1,373

8. Cash and bank balances

	2014	2013
	£'000	£'000
Cash and bank balances	124	1,254

9. Creditors

	2014	2013
	£'000	£'000
Accrued expenses	184	272
Due to the ACD for shares cancelled	812	910
Purchases awaiting settlement	-	2,509
Total creditors	996	3,691

Notes to the financial statements – continued

10. Portfolio transaction costs

	2014 £'000	2013 £'000
Analysis of total purchase costs		
Purchases in year before transaction costs	56,410	122,645
Commissions	45	109
Total purchase costs	45	109
Gross purchases total	56,455	122,754
Analysis of total sale costs		
Gross sales before transaction costs	96,660	142,190
Commissions	(104)	(140)
Total sale costs	(104)	(140)
Total sales net of transaction costs	96,556	142,050

11. 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 £789,004 (31.01.13: £1,069,412). Details of related party transactions are given under note 13 on page 413.

Investments considered to be related parties have been identified in the portfolio statement on page 258 and the revenue from these investments was £11,046 (31.01.13: £15,942).

The following party held a material interest in the Fund at the year end date:

- FIL (Luxembourg) SA 11.22% (31.01.13: 11.80%)

12. 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.

Currency	Net foreign currency assets/(liabilities)		
	Total £'000	Monetary exposures £'000	Non-monetary exposures £'000
31.01.14			
US Dollar	88,643	-	88,643
Polish Zloty	18,305	232	18,073
Turkish Lira	10,521	-	10,521
Swedish Krona	1,291	-	1,291
31.01.13			
US Dollar	120,468	(199)	120,667
Turkish Lira	35,186	-	35,186
Polish Zloty	20,914	-	20,914
Swedish Krona	4,276	-	4,276
Czech Koruna	542	-	542

Interest rate risk

At the year end date, 1.1% (31.01.13: 3.6%) of the Fund's net assets by value were interest bearing, carrying a (fixed/floating) rate.

For consideration of other risks including liquidity, pricing and credit risk, please refer to the notes to the aggregated financial statements, pages 413 to 414.

13. 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 fixed expenses charge are shown below.

	ACD fee	Fixed expenses
Class A shares:	1.50%	0.18%
Class B shares:	1.00%	0.18%
Class C shares:	0.75%	0.18%

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 257. All classes have the same rights on winding up.

14. Derivatives

The Fund enters into derivative transactions in the form of forward currency contracts for the purpose of efficient portfolio management. The positive mark to market approach has been used to calculate the global exposure.

Further information on the derivative risks can be found in the notes to the aggregated financial statements on page 414.

15. Contingent liabilities and capital commitments

At the balance sheet date there were no contingent liabilities or capital commitments (2013: none).

Distribution table

Final distribution in pence per share

Group 1 – Shares purchased prior to 1 February 2013

Group 2 – Shares purchased 1 February 2013 to 31 January 2014

	Gross revenue	Tax at 10%	Net revenue	Equalisation	Distribution payable 30.04.14	Distribution paid 30.04.13
A-Class Accumulation Shares						
Group 1	4.400000	0.440000	3.960000	-	3.960000	3.300000
Group 2	1.957018	0.195702	1.761316	2.198684	3.960000	3.300000
A-Class Income Shares						
Group 1	1.111111	0.111111	1.000000	-	1.000000	0.230000
Group 2	0.611303	0.061130	0.550173	0.449827	1.000000	0.230000
B-Class Accumulation Shares						
Group 1	2.644444	0.264444	2.380000	-	2.380000	2.100000
Group 2	2.021416	0.202142	1.819274	0.560726	2.380000	2.100000
B-Class Income Shares						
Group 1	1.177778	0.117778	1.060000	-	1.060000	-
Group 2	1.177778	0.117778	1.060000	0.000000	1.060000	-
C-Class Accumulation Shares						
Group 1	6.133333	0.613333	5.520000	-	5.520000	3.700000
Group 2	0.630552	0.063055	0.567497	4.952503	5.520000	3.700000
C-Class Income Shares						
Group 1	1.500000	0.150000	1.350000	-	1.350000	0.910000
Group 2	0.166260	0.016626	0.149634	1.200366	1.350000	0.910000

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 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.

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.

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

The trailing 12-month period has been characterised by gradual economic improvement in the UK, Europe and the US. Tapering was introduced to the markets in the summer of 2013, and this has had a dominant role in corporate bond markets. We have seen a broad-based improvement in corporate health, particularly in UK and European banks, with regulation prompting deleveraging and balance sheet strengthening. Rates have risen over the past year, with the UK 10-year Gilt yield rising from 2.097% to 2.707%, while sterling corporate spreads ended the period 50 basis points tighter.

The Fund outperformed the benchmark over the 12 months. The Fund was well positioned for both higher rates and tighter spreads. The allocation to high yield was also a strong contributor to performance: consistently low default rates coupled with increasing investor demand for higher yielding risk assets caused this area of the market to outperform. The overweight position in financials also boosted performance. In particular, owning bonds further down the capital structure in select credits where we were fundamentally comfortable was beneficial to the Fund's return.

Fund outlook

We expect the strong technical tailwinds that we have seen over the past year to continue, with net-negative supply and consistent inflows. The Bank of England remains committed to forward rate guidance, which should anchor the front end of the Gilt curve. However, with spreads moving back towards their tights, we remain very selective in our overweights in the sterling corporate market.

12 month performance as at 31 January

	2014	2013	2012	2011	2010
JPM Sterling Corporate Bond					
A-Class Acc	3.8%	8.5%	9.1%	3.5%	17.4%
JPM Sterling Corporate Bond					
B-Class Acc	4.2%	-	-	-	-
JPM Sterling Corporate Bond					
C-Class Inc	4.3%	8.9%	-	-	-
JPM Sterling Corporate Bond					
I-Class Acc	4.9%	9.2%	9.7%	4.2%	18.1%
Benchmark Index ^A	4.0%	10.6%	9.6%	5.5%	18.9%

Fund statistics

Risk and Reward Profile	4*
Fund size	£118.9m
Benchmark Index ^A	Markit iBoxx GBP Non-Gilts Index
Fund charges	
A-Class	Initial 3.00%, Annual 1.00%
B-Class	Initial Nil, Annual 0.65%
C-Class	Initial Nil, Annual 0.50%
I-Class	Initial Nil, Annual 0.40%

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

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

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

Source: J.P. Morgan.

^A On 01/09/12 the benchmark for was changed from Barclays Sterling Aggregate Corporate Index to Markit iBoxx GBP Non-Gilts Index.

Top ten holdings (excluding Liquidity funds) %

European Investment Bank 6% 2028	4.2
KFW 6% 2028	4.0
European Investment Bank 5% 2039	3.5
Lloyds Banking Group 5.75% 2025	1.6
Hammerson 6.875% FRN 2020	1.5
Southern Gas Network 4.875% 2023	1.4
General Electric Capital UK 6.25% 2038	1.3
Land Securities Capital Markets 5.391% 2026	1.3
HSBC Capital Funding 8.208% FRN Perpetual	1.3
Gatwick Funding 5.25% 2024	1.2

Sector breakdown %

Corporate debt	88.3
Liquidity funds	10.0
Forward currency contracts	0.0
Futures	0.0
Net other assets	1.7

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.

Highest/lowest share price and distribution record

Calendar year	Highest share price	Lowest share price	Distribution per share
A-Class Accumulation Shares			
2009	59.04p	49.70p	2.04p
2010	64.21p	58.11p	2.29p
2011	65.75p	61.20p	2.28p
2012	73.93p	65.52p	1.79p
2013	76.35p	72.01p	1.55p
2014 ^B	76.03p	74.37p	0.41p
A-Class Income Shares			
2009	43.58p	37.63p	1.54p
2010	45.95p	42.37p	1.66p
2011	45.04p	43.07p	1.60p
2012	49.28p	44.82p	1.21p
2013	50.38p	47.25p	1.02p
2014 ^B	49.63p	48.54p	0.27p
B-Class Accumulation Shares^D			
2012	73.76p	72.61p	0.41p
2013	76.45p	72.12p	1.76p
2014 ^B	76.30p	74.62p	0.48p
B-Class Income Shares^C			
2012	49.28p	48.39p	0.27p
2013	50.40p	47.25p	1.15p
2014 ^B	49.65p	48.55p	0.31p

Highest/lowest share price and distribution record (continued)

Calendar year	Highest share price	Lowest share price	Distribution per share
C-Class Accumulation Shares^D			
2012	102.6p	99.99p	0.62p
2013	106.1p	100.1p	2.53p
2014 ^B	105.9p	103.6p	0.69p
C-Class Gross Accumulation Shares^D			
2012	102.6p	99.99p	0.67p
2013	106.5p	100.5p	3.10p
2014 ^B	106.7p	104.3p	0.81p
C-Class Income Shares^E			
2011	102.1p	98.58p	1.34p
2012	111.7p	101.6p	3.21p
2013	114.3p	107.1p	2.75p
2014 ^B	112.5p	110.1p	0.74p
C-Class Gross Income Shares^F			
2011	100.4p	100.0p	-
2012	110.9p	100.3p	3.25p
2013	113.6p	106.4p	3.31p
2014 ^B	111.8p	109.3p	0.85p
I-Class Accumulation Shares			
2009	104.2p	87.36p	4.15p
2010	113.9p	102.7p	4.72p
2011	117.4p	108.7p	4.77p
2012	132.9p	117.1p	3.99p
2013	137.6p	129.9p	3.97p
2014 ^B	138.2p	135.1p	1.23p
I-Class Gross Accumulation Shares^G			
2011	103.5p	98.78p	1.66p
2012	117.9p	103.3p	4.36p
2013	122.5p	115.4p	3.88p
2014 ^B	122.9p	120.2p	1.02p
I-Class Income Shares			
2009	82.94p	71.57p	3.37p
2010	87.43p	80.58p	3.71p
2011	85.71p	81.90p	3.54p
2012	93.72p	85.31p	2.85p
2013	95.95p	89.94p	2.51p
2014 ^B	94.54p	92.43p	0.68p

^B To 31 January 2014.

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

^D C-Class Accumulation Shares and C-Class Gross Accumulation Shares were launched on 1 October 2012.

^E C-Class Income Shares were launched on 14 June 2011.

^F C-Class Gross Income Shares were launched on 28 December 2011.

^G I-Class Gross Accumulation Shares were launched on 21 June 2011.

Portfolio turnover rate

31.01.13	223.7%
31.01.14	221.2%

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

Portfolio transaction costs

	Broker Commissions	Transaction Taxes	Total
31.01.13	0.00%	0.00%	0.00%
31.01.14	0.00%	0.00%	0.00%

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

Stamp duty reserve tax

31.01.13	0.00%
31.01.14	0.00%

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

Net asset values and Ongoing charges

Date	Net asset value per share class £'000	Number of shares	Net asset value per share	Ongoing charges
A-Class Accumulation Shares				
31.01.12	35,834	54,023,456	66.33p	1.17%
31.01.13	48,821	67,365,680	72.47p	1.18%
31.01.14	36,677	48,667,996	75.36p	1.18%
A-Class Income Shares				
31.01.12	33,962	75,422,034	45.03p	1.17%
31.01.13	56,883	118,407,772	48.04p	1.18%
31.01.14	33,677	68,839,035	48.92p	1.18%
B-Class Accumulation Shares				
31.01.13	3	3,500	72.52p	0.83%
31.01.14	3	3,500	75.63p	0.83%
B-Class Income Shares				
31.01.13	292	607,559	48.03p	0.83%
31.01.14	279	569,795	48.91p	0.83%
C-Class Accumulation Shares				
31.01.13	61	60,711	100.6p	0.68%
31.01.14	4,162	3,964,627	105.0p	0.68%
C-Class Gross Accumulation Shares				
31.01.13	1	1,000	100.8p	0.68%
31.01.14	32	29,929	105.7p	0.68%
C-Class Income Shares				
31.01.12	11,650	11,414,874	102.1p	0.62%
31.01.13	39,789	36,556,908	108.8p	0.68%
31.01.14	30,890	27,870,936	110.8p	0.68%
C-Class Gross Income Shares				
31.01.12	2,607	2,573,668	101.4p	0.62%
31.01.13	33,752	31,241,621	108.0p	0.68%
31.01.14	3,162	2,873,775	110.0p	0.68%
I-Class Accumulation Shares				
31.01.12	6	5,000	118.6p	0.40%
31.01.13	1	1,000	130.4p	0.40%
31.01.14	1	1,000	137.0p	0.40%
I-Class Gross Accumulation Shares				
31.01.12	5	5,000	104.7p	0.40%
31.01.13	2,916	2,516,020	115.9p	0.40%
31.01.14	4,225	3,466,013	121.9p	0.40%
I-Class Income Shares				
31.01.12	8,621	10,069,143	85.62p	0.40%
31.01.13	31,204	34,158,212	91.35p	0.40%
31.01.14	5,832	6,267,311	93.05p	0.40%

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

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

Portfolio statement

As at 31 January 2014

Investment	Holding	Market value		Total net assets %	Investment	Holding	Market value		Total net assets %
		£'000					£'000		
Corporate debt - 88.3% (92.3%)									
Aegon 6.625% 2039	£100,000	130		0.1	Lafarge 4.75% 2020	£450,000	391		0.3
Allianz 4.75% Perpetual	£400,000	339		0.3	Land Securities Capital Markets 5.391% 2026	£1,315,000	1,518		1.3
America Movil 5.75% 2030	£350,000	389		0.3	Legal & General Group 10% FRN 2041	£500,000	673		0.6
American International 5% 2023	£800,000	883		0.7	Lloyds Banking Group 5.75% 2025	£1,800,000	1,908		1.6
Anglian Water (Osprey) Financing 7% 2018	£750,000	806		0.7	London & Quadrant Housing Trust 4.625% 2033	£870,000	931		0.8
Anglian Water 4.5% 2026	£400,000	396		0.3	London Power Networks 5.125% 2023	£250,000	275		0.2
Anglian Water 4.5% 2027	£984,000	1,017		0.9	Munich Re FRN 2042	£600,000	689		0.6
Anheuser-Busch InBev 9.75% 2024	£350,000	533		0.4	National Capital Trust 5.62% FRN Perpetual	£350,000	365		0.3
Assicurazioni Generali 2.875% 2020	£100,000	84		0.1	National Express Group 6.25% 2017	£500,000	550		0.5
Assicurazioni Generali 7.75% FRN 2042	£300,000	288		0.2	National Express Group 6.625% 2020	£500,000	582		0.5
AT&T 4.25% 2043	£815,000	723		0.6	National Grid 6.5% 2028	£300,000	375		0.3
Atlantia 6.25% 2022	£700,000	792		0.7	National Grid Electricity 5.875% FRN 2024	£461,000	544		0.5
Aviva 6.875% FRN 2058	£500,000	566		0.5	NGG Finance 5.625% 2073	£1,000,000	1,003		0.8
Axa 5.125% 2043	£400,000	355		0.3	Northumbrian Water Finance 5.125% 2042	£700,000	761		0.6
Axa FRN 2054	£480,000	481		0.4	Orange 5.25% 2025	£800,000	871		0.7
Bank of America 7% 2028	£1,050,000	1,371		1.2	Orange 5.625% 2034	£300,000	332		0.3
Barclays Bank 10% 2021	£550,000	724		0.6	Orange 5.875% Perpetual	£550,000	547		0.5
Barclays Bank 7.625% 2022	£1,350,000	875		0.7	Pfizer 6.5% 2038	£500,000	666		0.6
BNP Paribas 7.436% FRN Perpetual	£600,000	635		0.5	Porterbrook Rail Finance 7.125% 2026	£600,000	769		0.6
BNP Paribas 7.781% FRN Perpetual	£300,000	288		0.2	Prologis 3% 2022	£200,000	166		0.1
BPCE 5.7% 2023	£695,000	434		0.4	Prudential 11.375% FRN 2039	£600,000	812		0.7
BPCE 9% FRN Perpetual	£800,000	697		0.6	Prudential 5.7% FRN 2063	£250,000	254		0.2
British Telecommunications 6.375% 2037	£550,000	672		0.6	Renault 4.625% 2017	£310,000	277		0.2
Centrica 5.375% 2043	£800,000	506		0.4	Rexel 5.125% 2020	£325,000	280		0.2
Citigroup 5.125% 2018	£700,000	759		0.6	Rio Tinto 3.5% 2022	£850,000	510		0.4
Citigroup 6.8% 2038	£500,000	669		0.6	Royal Bank of Scotland FRN 2022	£789,000	560		0.5
Citigroup 6.675% 2043	£500,000	347		0.3	RWE Finance 6.125% 2039	£1,200,000	1,401		1.2
CNH Industrial Finance 6.25% 2018	£385,000	356		0.3	Santander 5% 2023	£250,000	154		0.1
Compagnie de Saint-Gobain 4.625% 2029	£720,000	723		0.6	Santander Issuances 7.3% 2019	£250,000	255		0.2
Credit Agricole 8.125% FRN Perpetual	£450,000	494		0.4	Scottish Widows 5.5% 2023	£450,000	461		0.4
Credit Suisse 6.5% 2023	£905,000	586		0.5	Shell 4.55% 2043	£500,000	308		0.3
Credit Suisse 5.75% FRN 2025	£295,000	257		0.2	Skandinaviska Enskilda Banken 7.0922% FRN Perpetual	£600,000	560		0.5
Credit Suisse 7.5% FRN Perpetual	£885,000	569		0.5	Societe Generale 8.25% FRN Perpetual	£900,000	583		0.5
Crown Newco 8.875% 2019	£350,000	366		0.3	Societe Generale 8.875% FRN Perpetual	£400,000	442		0.4
Danske Bank 5.375% 2021	£1,250,000	1,288		1.1	South Eastern Power Networks 5.5% 2026	£1,000,000	1,137		1.0
Direct Line Insurance 9.25% 2042	£500,000	629		0.5	Southern Gas Network 4.875% 2023	£1,500,000	1,625		1.4
DirectTV 4.375% 2029	£290,000	269		0.2	Standard Chartered 4.375% 2038	£250,000	239		0.2
DirectTV 5.2% 2033	£261,000	260		0.2	Standard Life 5.5% 2042	£600,000	629		0.5
DNB 7.25% 2020	£300,000	320		0.3	Standard Life 6.546% FRN Perpetual	£700,000	768		0.6
DNB 6.0116% FRN Perpetual	£550,000	578		0.5	Telefonica 6.5% FRN Perpetual	£400,000	346		0.3
E.ON International Finance 6.75% 2039	£750,000	980		0.8	Telefonica Emisiones 5.375% 2026	£750,000	778		0.7
EDF 5.5% 2037	£800,000	870		0.7	Tesco 6.125% 2022	£1,000,000	1,147		1.0
EDF 6% 2114	£700,000	770		0.6	Tesco Property Finance 5.744% 2040	£49,487	54		-
EDF 5.875% Perpetual	£200,000	197		0.2	Thames Water Utilities Finance 4.625% 2046	£600,000	594		0.5
EDF 6% Perpetual	£800,000	811		0.7	Treasury 2.25% 2014	£1,000,000	1,002		0.8
EDP Finance 5.25% 2021	£360,000	223		0.2	UBS 4.75% 2023	£650,000	394		0.3
Electricity North West 8.875% 2026	£650,000	946		0.8	Veolia Environnement 6.125% 2037	£750,000	870		0.7
ELM 6.3024 FRN Perpetual	£900,000	978		0.8	Verizon 6.55% 2043	£350,000	254		0.2
Enel 6.5% 2074	£300,000	261		0.2	Volkswagen 3.875% Perpetual	£593,000	503		0.4
Enel 5% 2075	£105,000	85		0.1	Vougeot 7.875% 2020	£300,000	321		0.3
Enel 7.75% 2075	£550,000	583		0.5	Wal-Mart Stores 5.25% 2035	£200,000	232		0.2
Enel Finance International 5.75% 2040	£1,000,000	971		0.8	Wal-Mart Stores 5% 2040	£450,000	295		0.2
ENI Coordination Centre 5% 2019	£780,000	848		0.7	Wells Fargo 5.25% 2023	£600,000	656		0.6
European Investment Bank 6% 2028	£3,900,000	4,974		4.2	Wendel 3.75% 2021	£100,000	82		0.1
European Investment Bank 5% 2039	£3,450,000	4,114		3.5	Wessex Water Services Finance 5.75% 2033	£500,000	588		0.5
Eversholt Funding 6.359% 2025	£900,000	1,076		0.9	Western Power Distribution 3.875% 2024	£181,000	180		0.2
FirstGroup 5.25% 2022	£600,000	628		0.5	Western Power Distribution 5.75% 2032	£450,000	517		0.4
Gas Natural Fenosa 3.875% 2022	£600,000	527		0.4	Western Power Distribution 6.25% VAR 2040	£300,000	373		0.3
Gatwick Funding 5.25% 2024	£1,300,000	1,426		1.2	WPP Finance 6.375% 2020	£400,000	473		0.4
GDF Suez 7% 2028	£1,000,000	1,310		1.1	Xstrata Finance Canada 7.375% 2020	£750,000	895		0.8
GDF Suez 4.75%-FRN Perpetual	£400,000	342		0.3	Yorkshire Water Services Finance 3.625% 2029	£500,000	468		0.4
General Electric Capital UK 6.25% 2038	£1,242,000	1,576		1.3	Yorkshire Water Services Finance 6.375% 2039	£400,000	508		0.4
GlaxoSmithKline Capital 3.375% 2027	£475,000	445		0.4	Zurich Finance (UK) 6.625% FRN Perpetual	£300,000	332		0.3
GlaxoSmithKline Capital 5.25% 2033	£1,000,000	1,149		1.0	Forward currency contracts - 0.0% (0.0%)				
Goldman Sachs Group 5.5% 2021	£1,150,000	1,243		1.0	Euro				
Goldman Sachs Group 4.25% 2026	£500,000	498		0.4	Buy €7,100,127 sell €5,838,824 dated 05/02/14	6			-
Great Rolling Stock 6.5% 2031	£950,000	1,149		1.0	Buy €1,400,000 sell €1,153,971 dated 05/03/14	(1)			-
Hammerson 6.875% FRN 2020	£1,440,000	1,723		1.5	Sell €7,100,127 buy €5,912,628 dated 05/02/14	67			-
Harbour Funding 5.28% 2044	£700,000	784		0.7	Sell €4,852,466 buy €4,002,991 dated 05/03/14	8			-
HBOS Capital Funding 6.461% FRN Perpetual	£600,000	625		0.5	Sell €6,626,848 buy €5,451,080 dated 05/03/14	(5)			-
Health Care 4.8% 2028	£198,000	200		0.2	US Dollar				
Heathrow Funding 6% 2020	£1,050,000	1,168		1.0	Buy \$29,131,115 sell £17,710,983 dated 05/02/14	(12)			-
Heathrow Funding 5.875% FRN 2043	£1,100,000	1,294		1.1	Buy \$400,000 sell £241,561 dated 05/03/14	2			-
HeidelbergCement 9.5% 2018	£100,000	106		0.1	Sell \$904,821 buy £550,445 dated 05/02/14	1			-
HeidelbergCement 3.25% 2021	£600,000	485		0.4	Sell \$28,226,294 buy £17,096,216 dated 05/02/14	(53)			-
HIT Finance 5.75% 2018	£1,000,000	947		0.8	Sell \$29,012,411 buy £17,642,805 dated 05/03/14	12			-
HSBC 6% 2040	£1,150,000	1,295		1.1	Sell \$2,407,021 buy £1,454,965 dated 05/03/14	(8)			-
HSBC Capital Funding 8.208% FRN Perpetual	£1,400,000	1,488		1.3					
Imperial Tobacco Finance 5.5% 2026	£900,000	1,002		0.8					
ING Bank 5.8% 2023	£250,000	159		0.1					
KFW 6% 2028	£3,650,000	4,795		4.0					
KPN 5% 2026	£500,000	518		0.4					

Portfolio statement – continued

As at 31 January 2014

Investment	Holding	Market value £'000	Total net assets %
Futures – 0.0% (0.0%)			
Euro BOBL Futures Mar 2014	(35)	(32)	-
Euro Bund Index Futures Mar 2014	(18)	(39)	-
Euro Schatz Futures Mar 2014	(8)	(1)	-
Long Gilt Futures Mar 2014	97	58	-
US 2 Year Treasury Note Futures Mar 2014	(43)	(2)	-
US 5 Year Treasury Note Futures Mar 2014	(46)	4	-
US 10 Year Treasury Note Futures Mar 2014	(78)	(17)	-
US Long Bond Futures Mar 2014	(6)	(11)	-
US Ultra Bond Futures Mar 2014	(16)	(58)	-
Liquidity funds – 10.0% (6.6%)			
JPM Global High Yield Bond 'X' USD (Accumulation) [^] [§]	£150,048	11,885	10.0
Investment assets (including investment liabilities)		116,860	98.3
Net other assets		2,080	1.7
Net assets		118,940	100.0

Unless otherwise stated the above securities are admitted to official stock exchange listings or trade on a regulated market.

The comparative percentage figures in brackets are at 31 January 2013.

[^] Deemed to be investment in related parties of the ACD

[§] Approved security as defined in the Collective Investment Schemes sourcebook

Portfolio credit ratings	Market value £'000
AAA	13,883
AA+	1,002
AA	2,045
AA-	784
A+	7,302
A	4,440
A-	13,804
BBB+	19,656
BBB	24,277
BBB-	9,956
BB+	3,701
BB-	1,375
B	687
Unrated	2,144
Total bonds	105,056
Forward currency contracts	17
Futures	(98)
Liquidity funds	11,885
Investment assets (including investment liabilities)	116,860

Counterparty exposure

Counterparty	Forward currency contracts £'000	Futures contracts £'000	Total
Barclays	64	-	64
BNP Paribas	1	-	1
Commonwealth Bank of Australia	0	-	0
Credit Suisse	2	-	2
JP Morgan	-	62	62
Toronto Dominion Bank	6	-	6
UBS	3	-	3
Westpac Banking Corp	(59)	-	(59)

At the balance sheet date, there was no collateral received by the fund from the above counterparties.

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.

Portfolio movements

For the year ending 31 January 2014

	£'000		£'000
Total of all purchases for the year	297,831	Total of all sales for the year	388,168
Major purchases	Cost	Major sales	Proceeds
JPM Sterling Liquidity 'X' (Distribution)^	64,529	JPM Sterling Liquidity 'X' (Distribution)^	78,685
JPM Global High Yield Bond 'X' USD (Accumulation)^	14,663	Network Rail Infrastructure 4.75% 2024	11,143
European Investment Bank 2.5% 2022	8,101	Network Rail Infrastructure 4.625% 2020	8,864
European Investment Bank 6% 2028	7,840	European Investment Bank 2.5% 2022	8,074
Network Rail Infrastructure 4.75% 2024	7,110	Network Rail Infrastructure 1% 2017	7,485
KFW 6% 2028	6,958	Barclays Bank 10% 2021	5,869
E.ON International Finance 6.75% 2039	5,083	GlaxoSmithKline Capital 3.375% 2027	5,784
GlaxoSmithKline Capital 3.375% 2027	4,860	Lloyds Banking Group 5.75% 2025	4,804
European Investment Bank 5% 2039	4,794	Wal-Mart Stores 5.25% 2035	4,622
Network Rail Infrastructure 4.625% 2020	4,792	European Investment Bank 6% 2028	4,595
General Electric Capital UK 4.375% 2019	4,446	Time Warner Cable 5.75% 2031	4,401
Wal-Mart Stores 5.25% 2035	3,875	BAA Funding 6.75% 2028	4,364
General Electric Capital UK 6.25% 2038	3,802	General Electric Capital UK 4.375% 2019	4,332
Veolia Environnement 6.125% 2037	3,603	General Electric Capital UK 4.125% 2017	4,316
Standard Chartered 8.103% Perpetual	3,310	Svenska Handelsbanken 4% 2019	4,314
RWE Finance 6.125% 2039	3,289	E.ON International Finance 6.75% 2039	4,150
Scottish Widows 5.5% 2023	3,015	European Investment Bank 2.25% 2015	4,101
Time Warner Cable 5.75% 2031	2,967	HSBC Capital Funding 8.208% FRN Perpetual	3,909
AT&T 4.25% 2043	2,888	KFW 6% 2028	3,784
BAA Funding 6.75% 2028	2,575	Comcast 5.5% 2029	3,737

^ Deemed to be investment in related parties of the ACD

Financial statements

Statement of total return

For the year ending 31 January

	£'000	2014 £'000	£'000	2013 £'000
Income				
Net capital gains (Note 1)		1,013		7,127
Revenue (Note 2)	6,512		6,199	
Expenses (Note 3)	(1,549)		(1,381)	
Net revenue before taxation	4,963		4,818	
Taxation (Note 4)	-		-	
Net revenue after taxation		4,963		4,818
Total return before distributions		5,976		11,945
Finance costs: Distributions (Note 5)		(4,973)		(4,813)
Change in net assets attributable to shareholders from investment activities		1,003		7,132

Statement of change in net assets attributable to shareholders

For the year ending 31 January

	£'000	2014 £'000	£'000	2013 £'000
Opening net assets attributable to shareholders		213,723		92,685
Amounts receivable on issue of shares	40,472		128,435	
Amounts payable on cancellation of shares	(137,345)		(15,648)	
		(96,873)		112,787
Change in net assets attributable to shareholders from investment activities (see above)		1,003		7,132
Retained distributions on accumulation shares		1,083		1,115
Stamp duty reserve tax		(1)		-
Unclaimed distributions		5		4
Closing net assets attributable to shareholders		118,940		213,723

Balance sheet

As at 31 January

	£'000	2014 £'000	£'000	2013 £'000
ASSETS				
Investment assets		117,099		211,540
Debtors (Note 7)	2,746		4,423	
Cash and bank balances (Note 8)	1,046		322	
Total other assets		3,792		4,745
Total assets		120,891		216,285
LIABILITIES				
Investment liabilities		(239)		(136)
Creditors (Note 9)	(1,251)		(1,360)	
Distribution payable on income shares	(461)		(1,066)	
Total other liabilities		(1,712)		(2,426)
Total liabilities		(1,951)		(2,562)
Net assets attributable to shareholders		118,940		213,723

The notes to these financial statements are shown on pages 271 to 272.

Notes to the financial statements for the year ending 31 January 2014

1. Net capital gains

	2014	2013
	£'000	£'000
Currency losses	(166)	(8)
Derivative contracts	2,140	(88)
Forward currency contracts	1,434	18
Non-derivative securities	(2,395)	7,205
Net capital gains	<u>1,013</u>	<u>7,127</u>

2. Revenue

	2014	2013
	£'000	£'000
Income from Liquidity funds	25	39
Interest on amounts held with futures clearing houses and brokers	1	-
Interest on bank and term deposits	3	-
Interest on fixed-interest securities	6,483	6,160
Total revenue	<u>6,512</u>	<u>6,199</u>

3. Expenses

	2014	2013
	£'000	£'000
Payable to the ACD or associate of the ACD:		
ACD fee	1,284	1,166
Fixed expenses	265	215
Total expenses	<u>1,549</u>	<u>1,381</u>

4. Taxation

	2014	2013
	£'000	£'000
a) Analysis of charge in the year		
Current year tax charge (Note 4b)	<u>-</u>	<u>-</u>

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	4,963	4,818
Corporation tax at 20%	<u>993</u>	<u>964</u>

Effects of:

Interest distributions deductible for tax purposes	(993)	(964)
Current year tax charge (Note 4a)	<u>-</u>	<u>-</u>

No deferred tax asset has been recognised in the financial statements. At the year end date, the Fund had a potential unrecognised deferred tax asset of £72,485 (31.01.13: £72,204) in relation to £362,425 (31.01.13: £361,020) of excess interest distributions 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.

5. Finance costs

Distributions

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

	2014	2013
	£'000	£'000
First interim interest distribution	1,651	1,044
Second interim interest distribution	1,368	1,114
Third interim interest distribution	827	1,458
Final interest distribution	904	1,609
Add: Amounts payable on cancellation of shares	402	73
Deduct: Amounts receivable on issue of shares	(179)	(485)
Total finance costs	<u>4,973</u>	<u>4,813</u>

Details of the distribution per share are set out on pages 273 to 276.

6. Movement between net revenue after taxation and distributions

	2014	2013
	£'000	£'000
Net revenue after taxation	4,963	4,818
Add: Undistributed revenue brought forward	14	9
Deduct: Undistributed revenue carried forward	(6)	(14)
Equalisation on conversions	2	-
	<u>4,973</u>	<u>4,813</u>

7. Debtors

	2014	2013
	£'000	£'000
Accrued income	2,217	3,777
Due from the ACD for shares created	159	646
Sales awaiting settlement	370	-
Total debtors	<u>2,746</u>	<u>4,423</u>

8. Cash and bank balances

	2014	2013
	£'000	£'000
Amounts held at futures clearing houses and brokers	492	134
Cash and bank balances	554	188
Total cash and bank balances	<u>1,046</u>	<u>322</u>

9. Creditors

	2014	2013
	£'000	£'000
Accrued expenses	93	163
Due to the ACD for shares cancelled	186	402
Income tax payable	293	436
Purchases awaiting settlement	679	359
Total creditors	<u>1,251</u>	<u>1,360</u>

10. Portfolio transaction costs

No portfolio transactions costs were incurred during the current or prior year.

Notes to the financial statements – continued

11. 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 £119,543 (31.01.13: £80,571 due from the ACD). Details of related party transactions are given under note 13 on page 413.

Investments considered to be related parties have been identified in the portfolio statement on pages 267 to 268 and the revenue from these investments was £25,240 (31.01.13: £39,124).

The following parties held a material interest in the Fund at the year end date:

- Cofunds Nominees Ltd 31.02% (31.01.13: 20.24%)
- FNZ (UK) Nominees Ltd 22.30% (31.01.13: 13.08%)

Currency	Fixed rate financial assets	
	Weighted average interest rate	Weighted average period for which rate is fixed (years)
31.01.14		
US Dollar	12.9%	15.0
UK Sterling	10.3%	18.0
Euro	9.6%	12.9
31.01.13		
Euro	5.8%	5.7
UK Sterling	3.6%	11.7
US Dollar	3.5%	6.6

For consideration of other risks including liquidity, pricing and credit risk, please refer to the notes to the aggregated financial statements, pages 413 to 414.

12. Financial instruments

Currency exposures

At the year end date, the majority of the Fund’s financial assets and liabilities are denominated in Sterling. As a result, the Fund has no material exposure to currency movements.

Interest rate risk

The tables below detail the interest rate profile of the Fund’s assets and liabilities as at the year end.

Currency	Total assets £’000	Floating rate financial assets £’000	Fixed rate financial assets £’000	Financial assets not carrying any interest £’000
31.01.14				
UK Sterling	120,537	828	90,276	29,433
Euro	147	79	8,024	(7,956)
US Dollar	(32)	139	6,756	(6,927)
31.01.13				
UK Sterling	215,898	15,473	193,120	7,305
Euro	195	2	187	6
US Dollar	56	20	3,027	(2,991)

The floating rate financial assets comprise investments in variable interest rate paying corporate debt and bank balances that bear interest at rates based on LIBOR or its overseas equivalent.

Currency	Total liabilities £’000	Floating rate financial liabilities £’000	Financial liabilities not carrying any interest £’000
31.01.14			
UK Sterling	1,578	-	1,578
Euro	134	-	134
31.01.13			
UK Sterling	2,426	-	2,426

13. 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 fixed expenses charge are shown below.

	ACD fee	Fixed expenses
Class A shares:	1.00%	0.18%
Class B shares:	0.65%	0.18%
Class C shares:	0.50%	0.18%
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 page 266. All classes have the same rights on winding up.

14. Derivatives

The Fund enters into derivative transactions in the form of forward currency contracts and futures. The Fund may use derivatives for investment purposes or efficient portfolio management including hedging, where appropriate.

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 & 500 days of history. As at the balance date the VaR was 2.66%.

The effective observation period changed to 500 days from 31/10/2012 onwards due to a change to a new VaR calculation process.

Further information on the derivative risks can be found in the notes to the aggregated financial statements on page 414.

15. Contingent liabilities and capital commitments

At the balance sheet date there were no contingent liabilities or capital commitments (2013: none).

Distribution tables

Final interest distribution in pence per share

Group 1 – Shares purchased prior to 1 November 2013

Group 2 – Shares purchased 1 November 2013 to 31 January 2014

	Gross revenue	Tax at 20%	Net revenue	Equalisation	Distribution payable 30.04.14	Distribution paid 30.04.13
A-Class Accumulation Shares						
Group 1	0.512500	0.102500	0.410000	-	0.410000	0.400000
Group 2	0.240443	0.048089	0.192354	0.217646	0.410000	0.400000
A-Class Income Shares						
Group 1	0.337500	0.067500	0.270000	-	0.270000	0.260000
Group 2	0.186000	0.037200	0.148800	0.121200	0.270000	0.260000
B-Class Accumulation Shares						
Group 1	0.600000	0.120000	0.480000	-	0.480000	0.440000
Group 2	0.600000	0.120000	0.480000	0.000000	0.480000	0.440000
B-Class Income Shares						
Group 1	0.387500	0.077500	0.310000	-	0.310000	0.300000
Group 2	0.297004	0.059401	0.237603	0.072397	0.310000	0.300000
C-Class Accumulation Shares						
Group 1	0.862500	0.172500	0.690000	-	0.690000	0.630000
Group 2	0.348864	0.069773	0.279091	0.410909	0.690000	0.630000
C-Class Gross Accumulation Shares						
Group 1	0.810000	0.000000	0.810000	-	0.810000	0.810000
Group 2	0.111870	0.000000	0.111870	0.698130	0.810000	0.810000
C-Class Income Shares						
Group 1	0.925000	0.185000	0.740000	-	0.740000	0.710000
Group 2	0.073697	0.014739	0.058958	0.681042	0.740000	0.710000
C-Class Gross Income Shares						
Group 1	0.850000	0.000000	0.850000	-	0.850000	0.880000
Group 2	0.268016	0.000000	0.268016	0.581984	0.850000	0.880000
I-Class Accumulation Shares						
Group 1	1.537500	0.307500	1.230000	-	1.230000	0.870000
Group 2	1.537500	0.307500	1.230000	0.000000	1.230000	0.870000
I-Class Gross Accumulation Shares						
Group 1	1.020000	0.000000	1.020000	-	1.020000	1.010000
Group 2	1.020000	0.000000	1.020000	0.000000	1.020000	1.010000
I-Class Income Shares						
Group 1	0.850000	0.170000	0.680000	-	0.680000	0.650000
Group 2	0.145129	0.029026	0.116103	0.563897	0.680000	0.650000

Distribution tables – continued

Third interim interest distribution in pence per share

Group 1 – Shares purchased prior to 1 August 2013

Group 2 – Shares purchased 1 August 2013 to 31 October 2013

	Gross revenue	Tax at 20%	Net revenue	Equalisation	Distribution paid 31.01.14	Distribution paid 31.01.13
A-Class Accumulation Shares						
Group 1	0.500000	0.100000	0.400000	-	0.400000	0.400000
Group 2	0.261471	0.052294	0.209177	0.190823	0.400000	0.400000
A-Class Income Shares						
Group 1	0.325000	0.065000	0.260000	-	0.260000	0.270000
Group 2	0.181275	0.036255	0.145020	0.114980	0.260000	0.270000
B-Class Accumulation Shares						
Group 1	0.587500	0.117500	0.470000	-	0.470000	0.410000
Group 2	0.587500	0.117500	0.470000	0.000000	0.470000	0.410000
B-Class Income Shares						
Group 1	0.362500	0.072500	0.290000	-	0.290000	0.270000
Group 2	0.236784	0.047357	0.189427	0.100573	0.290000	0.270000
C-Class Accumulation Shares						
Group 1	0.825000	0.165000	0.660000	-	0.660000	0.620000
Group 2	0.359635	0.071927	0.287708	0.372292	0.660000	0.620000
C-Class Gross Accumulation Shares						
Group 1	0.790000	0.000000	0.790000	-	0.790000	0.670000
Group 2	0.790000	0.000000	0.790000	0.000000	0.790000	0.670000
C-Class Income Shares						
Group 1	0.887500	0.177500	0.710000	-	0.710000	0.730000
Group 2	0.540426	0.108085	0.432341	0.277659	0.710000	0.730000
C-Class Gross Income Shares						
Group 1	0.820000	0.000000	0.820000	-	0.820000	0.900000
Group 2	0.404505	0.000000	0.404505	0.415495	0.820000	0.900000
I-Class Accumulation Shares						
Group 1	1.425000	0.285000	1.140000	-	1.140000	0.940000
Group 2	1.425000	0.285000	1.140000	0.000000	1.140000	0.940000
I-Class Gross Accumulation Shares						
Group 1	0.990000	0.000000	0.990000	-	0.990000	1.010000
Group 2	0.484084	0.000000	0.484084	0.505916	0.990000	1.010000
I-Class Income Shares						
Group 1	0.812500	0.162500	0.650000	-	0.650000	0.650000
Group 2	0.632900	0.126580	0.506320	0.143680	0.650000	0.650000

Distribution tables – continued

Second interim interest distribution in pence per share

Group 1 – Shares purchased prior to 1 May 2013

Group 2 – Shares purchased 1 May 2013 to 31 July 2013

	Gross revenue	Tax at 20%	Net revenue	Equalisation	Distribution paid 31.10.13	Distribution paid 31.10.12
A-Class Accumulation Shares						
Group 1	0.462500	0.092500	0.370000	-	0.370000	0.420000
Group 2	0.191971	0.038394	0.153577	0.216423	0.370000	0.420000
A-Class Income Shares						
Group 1	0.300000	0.060000	0.240000	-	0.240000	0.290000
Group 2	0.134674	0.026935	0.107739	0.132261	0.240000	0.290000
B-Class Accumulation Shares						
Group 1	0.537500	0.107500	0.430000	-	0.430000	-
Group 2	0.537500	0.107500	0.430000	0.000000	0.430000	-
B-Class Income Shares						
Group 1	0.350000	0.070000	0.280000	-	0.280000	-
Group 2	0.154776	0.030955	0.123821	0.156179	0.280000	-
C-Class Accumulation Shares						
Group 1	0.750000	0.150000	0.600000	-	0.600000	-
Group 2	0.358843	0.071769	0.287074	0.312926	0.600000	-
C-Class Gross Accumulation Shares						
Group 1	0.720000	0.000000	0.720000	-	0.720000	-
Group 2	0.720000	0.000000	0.720000	0.000000	0.720000	-
C-Class Income Shares						
Group 1	0.812500	0.162500	0.650000	-	0.650000	0.770000
Group 2	0.352303	0.070461	0.281842	0.368158	0.650000	0.770000
C-Class Gross Income Shares						
Group 1	0.770000	0.000000	0.770000	-	0.770000	0.950000
Group 2	0.461594	0.000000	0.461594	0.308406	0.770000	0.950000
I-Class Accumulation Shares						
Group 1	1.300000	0.260000	1.040000	-	1.040000	0.970000
Group 2	1.300000	0.260000	1.040000	0.000000	1.040000	0.970000
I-Class Gross Accumulation Shares						
Group 1	0.890000	0.000000	0.890000	-	0.890000	1.060000
Group 2	0.296773	0.000000	0.296773	0.593227	0.890000	1.060000
I-Class Income Shares						
Group 1	0.737500	0.147500	0.590000	-	0.590000	0.690000
Group 2	0.633411	0.126682	0.506729	0.083271	0.590000	0.690000

Distribution tables – continued

First interim interest distribution in pence per share

Group 1 – Shares purchased prior to 1 February 2013

Group 2 – Shares purchased 1 February 2013 to 30 April 2013

	Gross revenue	Tax at 20%	Net revenue	Equalisation	Distribution paid 31.07.13	Distribution paid 31.07.12
A-Class Accumulation Shares						
Group 1	0.475000	0.095000	0.380000	-	0.380000	0.460000
Group 2	0.257903	0.051580	0.206323	0.173677	0.380000	0.460000
A-Class Income Shares						
Group 1	0.325000	0.065000	0.260000	-	0.260000	0.310000
Group 2	0.144076	0.028815	0.115261	0.144739	0.260000	0.310000
B-Class Accumulation Shares						
Group 1	0.525000	0.105000	0.420000	-	0.420000	-
Group 2	0.525000	0.105000	0.420000	0.000000	0.420000	-
B-Class Income Shares						
Group 1	0.350000	0.070000	0.280000	-	0.280000	-
Group 2	0.110296	0.022059	0.088237	0.191763	0.280000	-
C-Class Accumulation Shares						
Group 1	0.800000	0.160000	0.640000	-	0.640000	-
Group 2	0.364261	0.072852	0.291409	0.348591	0.640000	-
C-Class Gross Accumulation Shares						
Group 1	0.780000	0.000000	0.780000	-	0.780000	-
Group 2	0.138043	0.000000	0.138043	0.641957	0.780000	-
C-Class Income Shares						
Group 1	0.850000	0.170000	0.680000	-	0.680000	0.820000
Group 2	0.183102	0.036620	0.146482	0.533518	0.680000	0.820000
C-Class Gross Income Shares						
Group 1	0.840000	0.000000	0.840000	-	0.840000	1.020000
Group 2	0.374189	0.000000	0.374189	0.465811	0.840000	1.020000
I-Class Accumulation Shares						
Group 1	1.150000	0.230000	0.920000	-	0.920000	1.000000
Group 2	1.150000	0.230000	0.920000	0.000000	0.920000	1.000000
I-Class Gross Accumulation Shares						
Group 1	0.990000	0.000000	0.990000	-	0.990000	1.100000
Group 2	0.990000	0.000000	0.990000	0.000000	0.990000	1.100000
I-Class Income Shares						
Group 1	0.775000	0.155000	0.620000	-	0.620000	0.720000
Group 2	0.436905	0.087381	0.349524	0.270476	0.620000	0.720000

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 Strategic 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 available from money market instruments denominated in Sterling.

The Fund may invest in developed and Emerging Market countries and hold Investment Grade, Below-Investment Grade and Unrated Bonds. The Fund may have a concentrated portfolio and may have a significant exposure to any one country, sector or issuer, which may include Emerging Markets and Below-Investment Grade or Unrated Bonds, 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 is also permitted to invest up to 100% in government and public securities (see section 3.11(e) of the Prospectus). The Fund's assets will be primarily either denominated in Sterling or 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.

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 market 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.

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.

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.

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

It proved to be a year for risky assets, with high yield being the best performing asset class within fixed income.

The Fund delivered a positive absolute return for the 12-month period to 31 January 2014, driven by its high yield and securitised products exposure. In the period, we remained overweight high yield and reduced our allocation to investment grade corporate bonds. We sold our covered bond and agency mortgage-backed securities (MBS) exposure and increased our non-agency MBS exposure. We held short government positions to reduce the duration of the Fund and protect against rising rates.

Fund outlook

We expect economies to continue to gradually recover, backed by stronger data and central bank policy in developed markets remaining expansionary. However, our optimism is restrained by the potential for deflation in Europe, led by falling prices in the periphery, the failure of Abenomics to stimulate trade, and widespread sub-trend growth in emerging markets. Government bond yields should continue to rise and investor appetite for spread product is likely to remain robust. Emerging markets remain under pressure and we are closely watching for attractive entry points to accumulate both local bonds and currencies.

12 month performance as at 31 January

	2014	2013	2012	2011
JPM Strategic Bond A-Class Acc	1.1%	4.5%	3.7%	7.0%
JPM Strategic Bond B-Class Acc	1.4%	-	-	-
JPM Strategic Bond C-Class Inc	1.4%	4.8%	4.1%	7.0%
JPM Strategic Bond I-Class Gross Acc	2.6%	6.0%	5.2%	8.9%
JPM Strategic Bond X-Class Acc	1.9%	5.4%	-	-
Benchmark Index ^a	0.5%	2.7%	16.0%	4.9%

Fund statistics

Risk and Reward Profile	4*
Fund size	£589.2m
Benchmark Index ^a	ICE Overnight GBP LIBOR
Fund charges	
A-Class	Initial 3.00%, Annual 1.00% Initial Nil, Annual 0.65% Initial Nil, Annual 0.50% Initial Nil, Annual 0.40% On application ^b
B-Class	
C-Class	
I-Class	
X-Class	

Top ten holdings (excluding Liquidity funds) %

US Treasury 0% Mar 2014	1.0
Mexico 3.625% 2022	1.0
South Africa 5.875% 2025	1.0
Russia 4.875% 2023	1.0
GS Mortgage Securities Mortgage 2045	0.8
HBOS Capital Funding 6.461% FRN Perpetual	0.7
JPMorgan Senior Secured Loan Fund	0.7
Sequoia Mortgage Trust FRN 2043	0.6
General Electric Capital 6.3750% FRN 2067	0.6
Bear Stearns Mortgage Securities FRN 2041	0.6

Sector breakdown %

Fixed interest securities	82.4
Liquidity funds	6.5
Government bonds	5.2
Equity	0.7
Forward currency contracts	0.2
Futures	(0.2)
Swaps	(0.2)
Net other assets	5.4

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.

Highest/lowest share price and distribution record

Calendar year	Highest share price	Lowest share price	Distribution per share
A-Class Accumulation Shares^c			
2009	57.46p	49.55p	0.89p
2010	61.78p	57.39p	2.02p
2011	63.31p	60.94p	1.79p
2012	66.99p	62.96p	1.79p
2013	68.86p	65.31p	2.08p
2014 ^d	68.32p	67.81p	0.48p
A-Class Income Shares^c			
2009	56.53p	49.55p	0.89p
2010	58.71p	56.07p	1.97p
2011	59.52p	56.70p	1.56p
2012	60.28p	57.81p	1.65p
2013	60.94p	57.80p	1.85p
2014 ^d	59.49p	59.04p	0.41p
B-Class Accumulation Shares^e			
2012	67.01p	65.97p	0.35p
2013	68.97p	65.44p	2.27p
2014 ^d	68.56p	68.05p	0.52p
B-Class Income Shares^e			
2012	103.6p	99.29p	2.30p
2013	104.7p	99.32p	3.46p
2014 ^d	102.3p	101.5p	0.78p
C-Class Accumulation Shares^g			
2012	101.5p	99.94p	0.58p
2013	104.1p	98.80p	3.57p
2014 ^d	103.6p	102.8p	0.82p
C-Class Gross Accumulation Shares^g			
2012	101.7p	100.0p	0.64p
2013	105.1p	99.78p	4.51p
2014 ^d	105.1p	104.4p	1.05p
C-Class Income Shares^h			
2009	104.0p	99.80p	0.13p
2010	107.9p	103.0p	4.16p
2011	109.4p	104.2p	3.46p
2012	110.8p	106.2p	3.51p
2013	111.9p	106.2p	3.83p
2014 ^d	109.4p	108.5p	0.87p
C-Class Gross Income Shares^h			
2012	103.4p	98.90p	1.62p
2013	104.5p	99.04p	4.48p
2014 ^d	102.0p	101.3p	1.02p
I-Class Accumulation Sharesⁱ			
2011	100.6p	97.04p	1.52p
2012	107.5p	100.4p	3.50p
2013	110.7p	105.1p	4.00p
2014 ^d	110.3p	109.5p	0.94p

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

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

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

Source: J.P. Morgan.

^a On 11/06/12 the benchmark for the Fund was changed from BofA Merrill Lynch GBP Broad Market Index to BBA Overnight GBP LIBOR.

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

Highest/lowest share price and distribution record (continued)

Calendar year	Highest share price	Lowest share price	Distribution per share
I-Class Gross Accumulation Shares^k			
2009	112.2p	100.0p	1.98p
2010	122.6p	112.2p	5.86p
2011	126.8p	122.3p	5.36p
2012	136.8p	126.8p	5.57p
2013	141.4p	134.3p	6.90p
2014 ^d	141.7p	140.7p	1.51p
I-Class Income Shares^l			
2011	100.5p	96.40p	1.50p
2012	102.5p	98.19p	3.41p
2013	103.6p	98.26p	3.76p
2014 ^d	101.2p	100.5p	0.86p
I-Class Gross Income Shares^l			
2010	102.7p	98.44p	2.93p
2011	104.2p	99.19p	4.40p
2012	105.4p	100.9p	4.36p
2013	106.6p	101.0p	4.85p
2014 ^d	104.0p	103.3p	1.10p
X-Class Accumulation Shares^m			
2011	100.9p	99.16p	-
2012	108.2p	100.8p	3.80p
2013	111.6p	106.0p	4.33p
2014 ^d	111.5p	110.6p	1.03p
X-Class Gross Accumulation Shares^m			
2012	104.6p	98.43p	2.85p
2013	108.3p	102.9p	5.27p
2014 ^d	108.8p	108.0p	1.24p
X-Class Gross Income Shares^o			
2013	101.7p	96.35p	4.08p
2014 ^d	99.29p	98.58p	1.14p

^c A-Class Accumulation Shares and A-Class Income Shares were launched on 7 May 2009.

^d To 31 January 2014.

^e B-Class Accumulation Shares were launched on 29 October 2012.

^f B-Class Income Shares were launched on 18 January 2012.

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

^h C-Class Income Shares were launched on 19 October 2009.

ⁱ C-Class Gross Income Shares were launched on 24 April 2012.

^j I-Class Accumulation Shares and I-Class Income Shares were launched on 21 April 2011.

^k I-Class Gross Accumulation Shares were launched on 1 July 2009.

^l I-Class Gross Income Shares were launched on 6 April 2010.

^m X-Class Accumulation Shares were launched on 2 November 2011.

ⁿ X-Class Gross Accumulation Shares were launched on 29 February 2012.

^o X-Class Gross Income Shares were launched on 9 January 2013.

Portfolio turnover rate

31.01.13	469.9%
31.01.14	210.5%

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

Portfolio transaction costs

	Broker Commissions	Transaction Taxes	Total
31.01.13	0.00%	0.00%	0.00%
31.01.14	0.00%	0.00%	0.00%

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

Stamp duty reserve tax

31.01.13	0.00%
31.01.14	0.00%

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

Net asset values and Ongoing charges

Date	Net asset value per share class £'000	Number of shares	Net asset value per share	Ongoing charges
A-Class Accumulation Shares				
31.01.12	89,516	140,270,479	63.82p	1.18%
31.01.13	112,912	168,818,240	66.88p	1.18%
31.01.14	59,101	87,441,789	67.59p	1.18%
A-Class Income Shares				
31.01.12	58,965	100,864,947	58.46p	1.18%
31.01.13	84,529	141,661,206	59.67p	1.18%
31.01.14	29,537	50,543,380	58.44p	1.18%
B-Class Accumulation Shares				
31.01.13	53	79,581	66.91p	0.83%
31.01.14	502	740,098	67.83p	0.83%
B-Class Income Shares				
31.01.12	5	5,000	100.4p	0.80%
31.01.13	961	937,517	102.5p	0.83%
31.01.14	1,629	1,622,689	100.4p	0.83%
C-Class Accumulation Shares				
31.01.13	3,374	3,340,008	101.0p	0.68%
31.01.14	28,667	27,975,574	102.5p	0.68%
C-Class Gross Accumulation Shares				
31.01.13	5	4,750	101.7p	0.68%
31.01.14	1,201	1,154,269	104.0p	0.68%
C-Class Income Shares				
31.01.12	81,568	75,987,808	107.3p	0.62%
31.01.13	102,339	93,393,434	109.6p	0.68%
31.01.14	113,785	106,025,502	107.3p	0.68%
C-Class Gross Income Shares				
31.01.13	13,771	13,493,410	102.1p	0.68%
31.01.14	31,285	31,305,771	99.93p	0.68%
I-Class Accumulation Shares				
31.01.12	6	6,000	101.8p	0.40%
31.01.13	105	97,926	107.4p	0.40%
31.01.14	829	759,475	109.2p	0.40%

Net asset values and Ongoing charges (continued)

Date	Net asset value per share class £'000	Number of shares	Net asset value per share	Ongoing charges
I-Class Gross Accumulation Shares				
31.01.12	5,427	4,217,453	128.7p	0.40%
31.01.13	4,035	2,951,759	136.7p	0.40%
31.01.14	10	7,475	140.3p	0.40%
I-Class Income Shares				
31.01.12	15,822	15,936,969	99.28p	0.40%
31.01.13	22,519	22,220,680	101.3p	0.40%
31.01.14	26,347	26,536,348	99.29p	0.40%
I-Class Gross Income Shares				
31.01.12	34,191	33,533,941	102.0p	0.40%
31.01.13	39,590	38,048,331	104.0p	0.40%
31.01.14	60,295	59,195,426	101.9p	0.40%
X-Class Accumulation Shares				
31.01.12	70,626	69,048,871	102.3p	0.06%
31.01.13	97,188	89,834,603	108.2p	0.06%
31.01.14	76,144	69,043,871	110.3p	0.06%
X-Class Gross Accumulation Shares				
31.01.13	99,653	95,244,828	104.6p	0.06%
31.01.14	101,773	94,506,270	107.7p	0.06%
X-Class Gross Income Shares				
31.01.13	59,360	59,821,538	99.23p	0.06%
31.01.14	58,101	59,821,538	97.12p	0.06%

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

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

Portfolio statement

As at 31 January 2014

Investment	Holding	Market value £'000	Total net assets %
Equity – 0.7% (0.0%)			
United Kingdom – 0.7%			
JPMorgan Senior Secured Loan Fund	3,825,000	3,863	0.7
Fixed interest securities – 82.4% (96.5%)			
US Dollar – 70.5%			
A10 Revolving Asset Financing FRN 2019	\$3,750,000	2,278	0.4
ABFC Asset Backed Certificates FRN 2035	\$92,864	55	-
ABS Home Equity Loan Trust FRN 2034	\$127,055	72	-
Accellent 8.375% 2017	\$2,195,000	1,397	0.2
Ace Cash Express 11% 2019	\$305,000	150	-
ACE Securities Corporation FRN Sep 2033	\$1,662,608	941	0.2
ACE Securities Corporation FRN Dec 2033	\$4,144,267	2,368	0.4
ACE Securities Home Equity FRN 2035	\$15,435	9	-
ADT 6.25% 2021	\$70,000	45	-
Advanced Micro Devices 7.75% 2020	\$25,000	15	-
Advanced Micro Devices 7.5% 2022	\$15,000	9	-
Aircastle 6.75% 2017	\$1,180,000	803	0.1
Aircastle 7.625% 2020	\$1,210,000	833	0.1
AK Steel 8.75% 2018	\$195,000	134	-
Albertsons 7.45% 2029	\$150,000	74	-
Albertsons 8.7% 2030	\$50,000	26	-
Alere 7.25% 2018	\$190,000	126	-
Aleris International 7.875% 2020	\$175,000	112	-
Allison Transport 7.125% 2019	\$1,180,000	774	0.1
Ally Financial FRN 2016	\$200,000	124	-
Ally Financial 6.25% 2017	\$1,735,000	1,171	0.2
Ally Financial 8% 2031	\$95,000	70	-
Alternative Loan Trust 6% 2022	\$321,334	190	-
Altria Group 2.85% 2022	\$780,000	444	0.1
Altria Group 4.25% 2042	\$1,820,000	967	0.2
AMC Entertainments 8.75% 2019	\$1,580,000	1,022	0.2
AMC Entertainments 9.75% 2020	\$1,250,000	871	0.2
Amer Airlines 4.95% 2024	\$1,552,641	1,005	0.2
American Airlines 4% 2025	\$2,189,045	1,300	0.2
American Axle & Manufacturing 7.75% 2019	\$1,700,000	1,175	0.2
American Home Mortgage Assets FRN 2046	\$126,174	53	-
American International Group 6.25% 2087	\$1,205,000	732	0.1
Ameriquest Mortgage FRN Jan 2034	\$771,522	427	0.1
Ameriquest Mortgage FRN Sep 2034	\$1,145,000	684	0.1
Ameristar Casinos 7.5% 2021	\$28,000	18	-
Amkor Technology 6.625% 2021	\$220,000	140	-
Amkor Technology 6.375% 2022	\$45,000	28	-
Aperam 7.375% 2016	\$200,000	126	-
Arcelormittal 9.85% 2019	\$670,000	509	0.1
Ardagh Packaging Finance 7.375% 2017	\$200,000	129	-
Ardagh Packaging Finance 7.375% 2017 144A	\$200,000	130	-
Ardagh Packaging Finance 9.125% 2020	\$2,800,000	1,863	0.3
A-S Co-Issuer 7.875% 2020	\$90,000	58	-
Audatex North America 6% 2021	\$26,000	16	-
Audatex North America 6.125% 2023	\$12,000	8	-
Avaya 7% 2019	\$1,770,000	1,062	0.2
Avaya 10.5% 2021	\$47,000	26	-
Avis Budget Car Rental 8.25% 2019	\$100,000	65	-
Avis Budget Car Rental 9.75% 2020	\$25,000	18	-
Banc of America Alternative Loan Trust 5.5% 2019	\$1,272,667	785	0.1
Banc of America Alternative Loan Trust 5.5% 2033	\$5,247,149	3,323	0.6
Banc of America Alternative Loan Trust 6% 2035	\$158,034	96	-
Banc of America Alternative Loan Trust 6% 2046	\$250,705	129	-
Banc of America Commercial Mortgage 4.18% 2034	\$978,107	594	0.1
Banc of America Commercial Mortgage 5.118% 2045	\$1,200,000	724	0.1
Banc of America Commercial Mortgage 5.39% 2045	\$4,300,000	2,835	0.5
Banc of America Commercial Mortgage FRN 2045	\$4,285,000	2,750	0.5
Banc of America Commercial Mortgage 5.675% 2046	\$1,400,000	927	0.2
Bank of America 3.3% 2023	\$3,170,000	1,839	0.3
Bank of America FRN 2045	\$4,950,000	3,309	0.6
Bankinter III FRN 2038	\$2,710,581	2,086	0.4
Barclays Bank 7.625% 2022	\$4,100,000	2,658	0.5
Basic Energy Services 7.75% 2022	\$250,000	159	-
Bayview Financial Mortgage Trust FRN 2041	\$254,844	155	-
B/E Aerospace 6.875% 2020	\$115,000	76	-
Bear Stearns ABS Trust FRN 2036	\$1,777,763	1,062	0.2

Investment	Holding	Market value £'000	Total net assets %
Bear Stearns CMS Trust 5.237% 2038	\$2,400,000	1,437	0.2
Bear Stearns CMS Trust 5.71% 2040	\$1,400,000	955	0.2
Bear Stearns FRN 2039	\$700,000	445	0.1
Bear Stearns Mortgage Securities FRN 2040	\$2,400,000	1,393	0.2
Bear Stearns Mortgage Securities FRN 2041	\$5,000,000	3,328	0.6
Belden 5.5% 2022	\$750,000	444	0.1
Berry Plastics 9.5% 2018	\$75,000	49	-
Berry Plastics 9.75% 2021	\$200,000	140	-
Beverage Packaging Holdings 5.625% 2016	\$25,000	16	-
Billion Express Investment 0.75% 2015	\$2,900,000	1,770	0.3
Bl-LO Finance 8.625% 2018	\$12,000	8	-
Biomet 6.5% 2020	\$2,655,000	1,720	0.3
Blucora 4.25% 2019	\$2,375,000	1,952	0.3
Bluewater Holding 10% 2019	\$100,000	61	-
Boise Cascade Finance 6.375% 2020	\$50,000	32	-
Bombardier 7.5% 2018	\$300,000	203	-
Boston Properties 3.125% 2023	\$1,880,000	1,065	0.2
BPCE 5.7% 2023	\$3,615,000	2,258	0.4
Breitbart Energy Partners 8.625% 2020	\$2,200,000	1,440	0.3
Breitbart Energy Partners 7.875% 2022	\$845,000	548	0.1
Brookfield Residential Property 6.5% 2020	\$25,000	16	-
Brookfield Residential Property 6.125% 2022	\$75,000	46	-
Bumble Bee Acquisiton 9% 2017	\$3,047,000	2,027	0.4
Cablevision Systems 8% 2020	\$175,000	119	-
Caesars Entertainment Operating 11.25% 2017	\$2,650,000	1,638	0.3
Caesars Entertainment Operating 8.5% 2020	\$585,000	339	0.1
Caesars Entertainment Operating 9% 2020	\$1,560,000	919	0.2
Calpine 7.875% 2020	\$355,000	236	-
Capsugel 7% 2019	\$30,000	19	-
Casella Waste Systems 7.75% 2019	\$200,000	125	-
Catalent Pharma Solutions 7.875% 2018	\$500,000	309	0.1
CBS Outdoor Americas Capital 5.25% 2022	\$10,000	6	-
CBS Outdoor Americas Capital 5.625% 2024	\$10,000	6	-
CCM Merger 9.125% 2019	\$20,000	13	-
CCO Holdings 7.375% 2020	\$2,985,000	1,968	0.3
CCO Holdings 8.125% 2020	\$350,000	231	-
CCO Holdings 6.5% 2021	\$95,000	60	-
CD Mortgage Trust FRN 2044	\$3,900,000	2,617	0.5
Cemex Espana 9.875% 2019	\$150,000	103	-
Cemex Finance 9.375% 2022	\$400,000	273	0.1
Central Garden & Pet 8.25% 2018	\$2,550,000	1,522	0.3
CenturyLink 5.8% 2022	\$1,025,000	616	0.1
CenturyLink 6.75% 2023	\$880,000	543	0.1
Cenveo 8.875% 2018	\$90,000	54	-
Chase Funding Mortgage Loan FRN 2033	\$1,360,540	866	0.2
Chrysler Group 8.25% 2021	\$3,420,000	2,330	0.4
CIT Group 5% 2017	\$285,000	185	-
CIT Group 5.25% 2018	\$2,585,000	1,677	0.3
CIT Group 5% 2022	\$2,650,000	1,600	0.3
Citgo Petroleum 11.5% 2017	\$305,000	198	-
Citigroup 6.675% 2043	\$1,325,000	921	0.2
Citigroup Commercial Mortgage Loan Trust FRN 2046	\$600,000	324	0.1
Citigroup Mortgage Loan Trust 5.5% 2035	\$200,417	121	-
Citigroup Mortgage Loan Trust FRN 2035 STEP	\$6,455	4	-
Citigroup Mortgage Loan Trust FRN 2037	\$176,733	107	-
Citigroup/Deutsche Bank Mortgage Loan Trust FRN 2044	\$2,000,000	1,384	0.2
Citigroup/Deutsche Bank Mortgage Loan Trust 5.688% 2048	\$550,000	314	0.1
Citigroup/Deutsche Commercial Mortgage Loan Trust FRN 2044	\$3,700,000	2,375	0.4
Claire's Stores 8.875% 2019	\$400,000	236	-
Claire's Stores 9% 2019	\$2,020,000	1,289	0.2
Clear Channel Communication 9% 2019	\$950,000	590	0.1
Clear Channel Worldwide 7.625% 2020 'B'	\$400,000	256	-
Clear Channel Worldwide 6.5% 2022 'B'	\$3,750,000	2,341	0.4
Coeur Mining 7.875% 2021	\$175,000	109	-
Commercial Mortgage Trust FRN 2046	\$500,000	260	0.1
Constellation Brands 3.75% 2021	\$750,000	437	0.1
Constellation Brands 4.25% 2023	\$750,000	430	0.1
Continental Airlines 7.25% 2019	\$330,431	231	-
Continental Airlines 7.875% 2020	\$86,505	57	-
Continental Airlines 4% 2026	\$1,815,000	1,103	0.2
Convatec Healthcare 10.5% 2018	\$850,000	575	0.1
Countrywide Securities 2.56375% 2032	\$239,157	135	-
CPS Auto 4.3% 2019	\$2,400,000	1,478	0.3
Credit Suisse 5.4% 2020	\$2,840,000	1,948	0.3
Credit Suisse 6.5% 2023	\$580,000	375	0.1

Portfolio statement – continued

As at 31 January 2014

Investment	Holding	Market value		Total net assets %	Investment	Holding	Market value		Total net assets %
		£'000					£'000		
Credit Suisse 7.5% FRN Perpetual	\$1,445,000	928	0.2	FNMA 2013-10 3% 30 Yrs Feb 2028	\$4,455,084	328	0.1		
Credit Suisse Mortgage Capital 5.465% 2039	\$3,419,000	2,219	0.4	FNMA 3.5% 30 Yrs Feb 2028	\$3,775,894	337	0.1		
Credit-Based Asset Servicing FRN 2035	\$54,403	33	-	FNMA 3% 30 Yrs Mar 2028	\$2,875,005	217	-		
Crestview DS Merger Sub II 10% 2021	\$400,000	266	0.1	FNMA 3% 30 Yrs Apr 2028	\$7,597,155	591	0.1		
Crown Castle International 5.25% 2023	\$2,130,000	1,284	0.2	FNMA 3.5% 30 Yrs Apr 2028	\$15,135,439	1,276	0.2		
CSFB Mortgage Backed FRN Jun 2034	\$1,325,565	816	0.1	FNMA 4% 30 Yrs Nov 2029	\$2,256,086	213	-		
CSFB Mortgage Backed FRN Sep 2034	\$2,915,542	1,813	0.3	FNMA FRN 30 Yrs 2034	\$1,922,338	180	-		
CSFB Mortgage Backed 5.5% 2035	\$725,000	454	0.1	FNMA FRN 30 Yrs Feb 2035	\$1,073,066	96	-		
CSMC Mortgage Backed Trust 5.5% 2037	\$1,117,347	654	0.1	FNMA FRN 30 Yrs Mar 2035	\$2,796,113	277	0.1		
CWABS FRN Mar 2034	\$453,334	265	0.1	FNMA 2005-67 FRN 30 Yrs Aug 2035	\$1,018,365	100	-		
CWABS FRN Jun 2034	\$2,233,000	1,221	0.2	FNMA 2005-69 FRN 30 Yrs Aug 2035	\$200,394	20	-		
CWABS FRN Jul 2034	\$1,351,284	779	0.1	FNMA FRN 30 Yrs 2036	\$1,502,395	142	-		
CWALT 6% 2034	\$780,215	490	0.1	FNMA FRN 30 Yrs May 2039	\$8,553,744	770	0.1		
CWALT 5.75% 2035	\$988,134	594	0.1	FNMA FRN 30 Yrs Mar 2040	\$5,294,163	539	0.1		
CWALT 6% 2035	\$975,657	584	0.1	FNMA FRN 30 Yrs Jul 2040	\$1,222,454	120	-		
Darling International 5.375% 2022	\$15,000	9	-	FNMA 2012-93 FRN 30 Yrs Feb 2041	\$6,435,877	899	0.2		
DaVita Healthcare 6.375% 2018	\$100,000	64	-	FNMA 2012-99 FRN 30 Yrs Feb 2041	\$1,081,675	143	-		
DaVita Healthcare 6.625% 2020	\$962,000	628	0.1	FNMA 4.5% 30 Yrs Mar 2041	\$8,187,709	970	0.2		
DCP Midstream Partners 3.875% 2023	\$1,130,000	653	0.1	FNMA FRN 30 Yrs Apr 2042	\$8,841,755	1,288	0.2		
DDR 7.875% 2020	\$1,405,000	1,062	0.2	FNMA FRN 30 Yrs Jul 2042	\$8,194,760	871	0.2		
Del Monte 7.625% 2019	\$2,450,000	1,547	0.3	FNMA FRN 30 Yrs Jan 2043	\$15,047,736	1,933	0.3		
Delta Air Lines 6.2% 2018	\$1,066,221	727	0.1	FNMA FRN 30 Yrs Feb 2043	\$8,158,275	1,091	0.2		
Delta Air Lines 'A' 7.75% 2021	\$165,779	118	-	Ford Motor 4.75% 2043	\$1,360,000	767	0.1		
Denali Finance 5.625% 2020	\$191,000	115	-	Freeport-McMoran Copper & Gold 5.45% 2043	\$818,000	473	0.1		
Denbury Resources 8.25% 2020	\$1,885,000	1,255	0.2	Freescale Semiconductor 6% 2022	\$47,000	30	-		
Diamondback Energy 7.625% 2021	\$174,000	111	-	Fresenius Medical Care 6.5% 2018	\$150,000	103	-		
DirectTV 5.15% 2042	\$1,160,000	648	0.1	Frontier Communications 9.25% 2021	\$75,000	52	-		
Dish DBS 7.875% 2019	\$1,490,000	1,033	0.2	GCI 8.625% 2019	\$3,000,000	1,937	0.3		
Dish DBS 6.75% SNR 2021	\$2,610,000	1,697	0.3	General Cable 5.75% 2022	\$5,000,000	300	0.1		
Dish DBS 5.875% 2022	\$425,000	259	-	General Cable 5% 2029	\$3,045,000	1,992	0.3		
DJO Finance 7.75% SNR 2018	\$1,500,000	932	0.2	General Electric Capital 6.375% FRN 2067	\$5,375,000	3,584	0.6		
DJO Finance 8.75% 2018	\$1,265,000	847	0.1	General Motor 6.25% 2043	\$1,585,000	1,021	0.2		
Dupont Fabros Technology 5.875% 2021	\$12,000	8	-	General Motors Financials 4.75% 2017	\$200,000	128	-		
E Trade Financial 6.75% 2016	\$95,000	63	-	General Motors Financials 3.25% 2018	\$730,000	447	0.1		
EDF 5.25% Perpetual	\$710,000	420	0.1	Genesis Energy 7.875% 2018	\$100,000	66	-		
EDP Finance 5.25% 01/21	\$1,845,000	1,141	0.2	Genon Escrow 9.5% 2018	\$150,000	97	-		
Embarq 7.995% 2036	\$267,000	168	-	Genon Escrow 9.875% 2020	\$250,000	159	-		
Energy Transfer Partners 6.5% 2042	\$1,305,000	867	0.2	Geo Group 6.625% 2021	\$750,000	482	0.1		
Energy XXI Gulf Coast 7.5% 2021	\$131,000	83	-	GMAT Trust 5.00% 2053	\$5,100,000	2,972	0.5		
Entergy Arkansas 3.75% 2021	\$1,330,000	849	0.2	Goodman Networks 12.125% 2018	\$200,000	128	-		
Enterprise Products 5.7% 2042	\$1,065,000	709	0.1	Goodyear Tire & Rubber 8.25% 2020	\$475,000	321	0.1		
Epicor Software 8.625% 2019	\$875,000	577	0.1	Goodyear Tire & Rubber 8.75% 2020	\$665,000	478	0.1		
Equinix 3% 2014	\$2,000,000	1,994	0.3	Gray Television 7.5% 2020	\$200,000	130	-		
Everest Acquisition 6.875% 2019	\$1,450,000	947	0.2	Great Lakes Dredge & Dock 7.375% 2019	\$590,000	376	0.1		
Everest Acquisition 9.375% 2020	\$1,715,000	1,198	0.2	Greenwich Capital Commercial Funding 5.661% 2036	\$850,000	524	0.1		
Exeter Automobile 4.35% 2019	\$3,000,000	1,872	0.3	Greenwich Capital Commercial Funding FRN 2042	\$2,500,000	1,558	0.3		
FDIC 4.5% 2018	\$378,645	232	-	Griffon 4% 2017	\$3,865,000	2,816	0.5		
FHLM 5% 2021	\$1,526,312	65	-	GS Mortgage Securities 5.5% 2034	\$1,425,674	928	0.2		
FHLM FRN 2036	\$1,967,550	213	-	GS Mortgage Securities FRN 2035	\$448,974	264	0.1		
First Data 7.375% 2019	\$150,000	98	-	GS Mortgage Securities 5.622% 2039	\$3,400,000	2,015	0.3		
First Data 14.5% 2019	\$41,249	23	-	GS Mortgage Securities Mortgage 2045	\$6,700,000	4,475	0.8		
First Data 6.75% 2020	\$1,575,000	1,008	0.2	GSAMP Trust FRN 2033	\$890,025	547	0.1		
First Data 8.875% 2020	\$750,000	502	0.1	Halcon Resources 9.25% 2022	\$300,000	184	-		
First Data 8.25% 2021	\$193,000	124	-	Hanesbrands 6.375% 2020	\$1,500,000	993	0.2		
First Data 11.75% 2021	\$47,000	30	-	Harborview Mortgage Loan Trust FRN 2037	\$5,478,562	2,769	0.5		
First Data 11.75% 2021 (144A)	\$80,000	50	-	Harland Clarke Holding FRN 2015	\$500,000	304	0.1		
First Data 12.625% 2021	\$248,000	176	-	Hawk Acquisition 4.25% 2020	\$3,295,000	1,957	0.3		
First Data 8.75% 2022	\$1,640,000	1,059	0.2	HCA 8% 2018	\$100,000	72	-		
First Horizon Alternative Mortgage Securities Trust 5% 2020	\$801,168	500	0.1	HCA 6.5% 2020	\$100,000	67	-		
First Horizon Alternative Mortgage Securities Trust 5.5% 2035	\$933,584	576	0.1	HCA 7.5% 2022	\$3,975,000	2,729	0.5		
First Horizon Mortgage Pass Through Trust 5.5% Nov 2035	\$2,900,000	1,757	0.3	HCP 3.15% 2022	\$2,480,000	1,414	0.2		
FMG Resources 7% 2015	\$41,000	26	-	HD Supply 8.125% 2019	\$1,830,000	1,236	0.2		
FMG Resources 8.25% 2019	\$2,025,000	1,359	0.2	HealthSouth 7.75% 2022	\$769,000	513	0.1		
FNMA 3.5% 30 Yrs Mar 2027	\$4,037,589	344	0.1	Hecla Mining 6.875% 2021	\$175,000	102	-		
FNMA 3% 30 Yrs May 2027	\$2,150,150	156	-	Hertz 5.875% 2020	\$3,708,000	2,340	0.4		
FNMA 3.5% 30 Yrs Jun 2027	\$9,369,218	752	0.1	Hertz 7.375% 2021	\$575,000	380	0.1		
FNMA 3.5% 30 Yrs Jul 2027	\$12,045,605	1,015	0.2	Hexion Nova Scotia 8.875% 2018	\$2,860,000	1,809	0.3		
FNMA 3% 30 Yrs Aug 2027	\$5,608,420	410	0.1	Hilton Worldwide Finance 5.625% 2021	\$10,000	6	-		
FNMA 3.5% 30 Yrs Sep 2027	\$5,635,616	505	0.1	HLSS Services Advance 1.4853% 2044	\$1,110,000	674	0.1		
FNMA 3% 30 Yrs 15 Nov 2027	\$2,051,976	149	-	HLSS Services Advance 1.7337% 2044	\$575,000	349	0.1		
FNMA 3% 30 Yrs 25 Nov 2027	\$11,588,809	879	0.2	HLSS Services Advance 2.2296% 2044	\$460,000	279	0.1		
FNMA 3% 30 Yrs Dec 2027	\$4,000,411	290	0.1	Home Equity Asset Trust FRN 2036	\$3,149,733	1,847	0.3		
FNMA 2012-144 3% 30 Yrs Jan 2028	\$3,402,679	247	-	Hovnanian Enterprises 6.25% 2016	\$14,000	9	-		
FNMA 2012-145 3% 30 Yrs Jan 2028	\$9,556,809	710	0.1	Hovnanian Enterprises 7% 2019	\$5,000	3	-		
FNMA 2012-149 3% 30 Yrs Jan 2028	\$2,285,270	172	-	Hovnanian Enterprises 9.125% 2020	\$125,000	84	-		
FNMA 2012-150 3% 30 Yrs Jan 2028	\$7,049,823	522	0.1	HT Intermediate Holding 12% 2019	\$25,000	15	-		
FNMA 2012-9 3% 30 Yrs Feb 2028	\$2,894,767	212	-	Hughes Satellite System 6.5% 2019	\$1,000,000	662	0.1		
FNMA 2013-5 3% 30 Yrs Feb 2028	\$14,511,922	1,127	0.2	Huntsman International 4.875% 2020	\$865,000	518	0.1		

Portfolio statement – continued

As at 31 January 2014

Investment	Holding	Market value		Total net assets %	Investment	Holding	Market value		Total net assets %
		£'000					£'000		
Huntsman International 8.625% 2021	\$1,000,000	685		0.1	MGM Resorts International 8.625% 2019	\$2,080,000	1,485		0.3
Iasis Healthcare 8.375% 2019	\$80,000	52		-	MGM Resorts International 7.75% 2022	\$250,000	171		-
Icahn Enterprises 5.875% 2022	\$98,000	59		-	Milacron Finance 7.75% 2021	\$50,000	32		-
Iconix Brand 1.5% 2018	\$2,580,000	2,049		0.4	Misa Investments 8.625% 2018	\$192,000	121		-
iGate 9% 2016	\$20,000	13		-	Morgan Stanley 2.125% 2018	\$1,995,000	1,210		0.2
ILFC E-Capital Index Linked Trust 5.9% 2065	\$100,000	56		-	Morgan Stanley 3.75% 2023	\$430,000	257		-
ILFC E-Capital Index Linked Trust 6.25% 2065	\$100,000	57		-	Morgan Stanley ABS Capital FRN Jul 2034	\$125,770	77		-
IndyMac ABS FRN 2034	\$2,785,000	1,561		0.3	Morgan Stanley ABS Capital FRN Sep 2034	\$1,450,000	835		0.1
IndyMac Mortgage Backed Securities 2034	\$431,924	233		-	Morgan Stanley ABS Capital FRN Nov 2034	\$1,192,576	693		0.1
Ineos Finance 8.375% 2019	\$2,410,000	1,622		0.3	Morgan Stanley ABS Capital FRN Mar 2044	\$2,400,000	1,523		0.3
Ineos Group 7.5% 2020	\$570,000	378		0.1	Morgan Stanley ABS Capital FRN Jun 2044	\$1,000,000	624		0.1
Infor 9.375% 2019	\$450,000	308		0.1	Morgan Stanley Capital FRN Nov 2034	\$3,012,187	1,696		0.3
ING US 5.65% FRN 2053	\$2,955,000	1,724		0.3	Morgan Stanley Capital 5.389% 2041	\$2,000,000	1,229		0.2
Inmet Mining 8.75% 2020	\$96,000	66		-	Morgan Stanley Capital 5.21% 2042	\$405,000	258		-
Intelsat Jackson 7.25% 2020	\$1,280,000	844		0.1	Morgan Stanley Capital 5.793% 2044	\$1,450,000	946		0.2
Intelsat Jackson 6.625% 2022	\$2,120,000	1,330		0.2	Morgan Stanley Mortgage Loan Trust 6.57% 2034	\$637,934	412		0.1
Intelsat Luxembourg 6.75% 2018	\$50,000	32		-	Morgan Stanley Mortgage Loan Trust FRN 2034	\$590,193	357		0.1
Intelsat Luxembourg 7.75% 2021	\$300,000	196		-	MPH International 8.375% 2018	\$80,000	50		-
Intelsat Luxembourg 8.125% 2023	\$50,000	33		-	Morgan Stanley BAML Trust 4.3% 2046	\$850,000	444		0.1
International Lease Finance 8.75% 2017	\$1,790,000	1,268		0.2	Mustang Merger 8.5% 2021	\$200,000	132		-
International Lease Finance 5.875% 2019	\$600,000	392		0.1	Mylan 7.875% 2020	\$3,010,000	2,063		0.4
International Lease Finance 5.875% 2022	\$455,000	280		0.1	National Mentor 12.5% 2018	\$685,000	443		0.1
International Paper 6% 2041	\$965,000	665		0.1	Navios Maritime Acquisition 8.125% 2021	\$17,000	11		-
International Wire Group 8.5% 2017	\$200,000	131		-	Navios South American Logistics 9.25% 2019	\$100,000	65		-
Inventiv Health 10% 2018	\$40,000	22		-	NCR Escrow 5.875% 2021	\$5,000	3		-
Inventiv Health 10% SNR 2018	\$220,000	122		-	NCR Escrow 6.375% 2023	\$5,000	3		-
Isle of Capri Casinos 7.75% 2019	\$150,000	99		-	New Century Home Equity Loan Trust FRN 2034	\$119,526	69		-
J Crew Group 8.125% 2019	\$220,000	140		-	New Century Home Equity Loan Trust 1.0403% 2035	\$1,180,762	652		0.1
Jarden 7.5% 2017	\$350,000	245		-	New Gold 7% 2020	\$50,000	31		-
Jarden 1.875% 2018	\$1,845,000	1,576		0.3	New Gold 6.25% 2022	\$50,000	29		-
JBS 8.25% 2020	\$105,000	69		-	Nexstar Broadcasting 6.875% 2020	\$410,000	267		0.1
JC Penney 7.95% 2017	\$100,000	50		-	Nielsen 5.5% 2021	\$15,000	9		-
JC Penney 5.75% 2018	\$1,650,000	742		0.1	NII International Telecom 7.875% 2019	\$500,000	228		-
JMC Steel Group 8.25% 2018	\$100,000	63		-	NiSource Finance 5.8% 2042	\$1,035,000	691		0.1
JPMorgan Commercial Mortgage FRN Jul 2042^	\$875,000	548		0.1	NiSource Finance 4.8% 2044	\$1,010,000	586		0.1
JPMorgan Commercial Mortgage FRN Dec 2042 144A^	\$3,276,000	2,137		0.4	NiSource Finance 5.65% 2045	\$1,125,000	732		0.1
JPMorgan Mortgage Trust 4.5% 2020^	\$3,419	2		-	Nordstrom 5% 2044	\$1,380,000	862		0.2
Kinder Morgan Energy Partners 3.95% 2022	\$1,505,000	908		0.2	Novelis 8.75% 2020	\$75,000	51		-
Kinder Morgan Energy Partners 5% 2043	\$660,000	377		0.1	Nufarm 6.375% 2019	\$150,000	94		-
Kinetic Concepts 10.5% 2018	\$2,500,000	1,754		0.3	NXP 3.5% 2016	\$200,000	124		-
Kroger 5.15% 2043	\$2,315,000	1,430		0.2	NXP Semiconductors 3.75% 2018	\$1,700,000	1,035		0.2
LB-UBS Commercial Mortgage FRN 2040	\$3,700,000	2,487		0.4	Oasis Petroleum 6.875% 2022	\$20,000	13		-
Lehman Mortgage Trust 5.5% 2035	\$454,433	260		0.1	Ocean Rig 9.5% 2016	\$100,000	64		-
Lennar 12.25% 2017	\$75,000	59		-	Omnicare 7.75% 2020	\$100,000	67		-
Level 3 Communications 8.875% 2019	\$550,000	366		0.1	Opteum Mortgage FRN 2035	\$45,313	28		-
Level 3 Communications 11.875% 2019	\$360,000	252		-	Option One Mortgage Loan Trust 0.8953% 2034	\$120,008	68		-
Level 3 Financing FRN 2018	\$15,000	9		-	Option One Mortgage Loan Trust FRN May 2034	\$6,048,712	3,217		0.6
Level 3 Financing 8.125% 2019	\$1,635,000	1,093		0.2	Option One Mortgage Loan Trust FRN Nov 2034	\$259,039	153		-
Liberty Property Trust 3.375% 2023	\$2,200,000	1,245		0.2	Paetec 9.875% 2018	\$55,000	37		-
Liberty Property Trust 4.4% 2024	\$1,340,000	816		0.1	Park Place Securities FRN Jun 2035	\$55,987	34		-
Liberty Tire Recycling 11% 2016	\$200,000	119		-	Parker Drilling 7.5% 2020	\$250,000	159		-
Linn Energy 7.75% 2021	\$3,210,000	2,072		0.4	Party City 8.875% 2020	\$1,615,000	1,094		0.2
Live Nation Entertainment 7% 2020	\$34,000	22		-	Peabody Energy 6.25% 2021	\$2,100,000	1,292		0.2
Long Beach Mortgage Loan Trust FRN 2034	\$2,270,000	1,292		0.2	Petrohawk Energy 7.875% 2015	\$2,375,000	1,471		0.3
LSB Industries 7.75% 2021	\$100,000	64		-	Philip Morris International 3.875% 2042	\$1,545,000	822		0.1
Luce Technology 6.45% 2029	\$2,250,000	1,235		0.2	Pilgrims Pride 7.875% 2018	\$368,000	242		-
LV Tower 52 7.5% 2018	\$2,891,173	1,757		0.3	Pittsburgh Glass Works 8% 2018	\$9,000	6		-
M/I Homes 8.625% 2018	\$50,000	33		-	Plains All American Pipeline 5.75% 2020	\$580,000	409		0.1
Macy's 4.3% 2043	\$2,035,000	1,110		0.2	Plains Exploration & Production 6.5% 2020	\$3,295,000	2,195		0.4
Manitowoc 8.5% 2020	\$2,400,000	1,646		0.3	Post 7.375% 2022	\$515,000	334		0.1
Marathon Petroleum 6.5% 2041	\$1,315,000	943		0.2	Post Holdings 6.75% 2021	\$17,000	11		-
Marina District Finance 9.875% 2018	\$1,900,000	1,241		0.2	PPL 5.375% 2021	\$750,000	499		0.1
Martin Midstream Partners 8.875% 2018	\$100,000	64		-	PPL Capital Funding 3.5% 2022	\$1,395,000	823		0.1
Masonite International 8.25% 2021	\$200,000	133		-	PPL Capital Funding 4.7% 2043	\$1,180,000	680		0.1
Master Alternative Loan Trust 6% 2034	\$4,027,284	2,588		0.4	Prestige Brands 5.375% 2021	\$25,000	15		-
Master Alternative Loan Trust 5.5% 2035	\$405,958	251		-	Progreso Receivable Funding 4% 2018	\$3,000,000	1,804		0.3
Master Alternative Loan Trust 5.75% 2035	\$250,387	136		-	Prudential Financial FRN 2042	\$2,940,000	1,840		0.3
Master Asset Backed Securities Trust FRN 2033	\$25,021	15		-	Quebecor Media 5.75% 2023	\$2,895,000	1,715		0.3
Mattamy Group 6.5% 2020	\$45,000	27		-	R.R. Donnelley & Sons 6.5% 2023	\$15,000	9		-
McGraw-Hill 9.75% 2021	\$80,000	52		-	Radiation Therapy Services 8.875% 2017	\$1,480,000	931		0.2
Mediacom Capital 9.125% 2019	\$100,000	66		-	Radio Systems 8.375% 2019	\$200,000	134		-
Meritage Homes 7.15% 2020	\$13,000	9		-	Rain CII Carbon 8% 2018	\$150,000	96		-
Merrill Lynch CFC Commercial Mortgage Trust 5.204% 2049	\$4,580,000	3,039		0.5	RBSHD Trust 4.685% 2047	\$1,700,000	1,038		0.2
Merrill Lynch CFC Commercial Mortgage Trust 5.239% 2049	\$1,500,000	893		0.2	RCN Television 8.5% 2020	\$100,000	62		-
Metlife 6.4% 2066	\$2,010,000	1,266		0.2					
Metropcs Wireless 7.875% 2018	\$2,003,000	1,301		0.2					

Portfolio statement – continued

As at 31 January 2014

Investment	Holding	Market value		Total net assets %	Investment	Holding	Market value		Total net assets %
		£'000					£'000		
Realogy 7.625% 2020	\$1,495,000	1,015	0.2	Structured Asset Securities FRN 2035	\$52,518	32	-		
Regal Cinemas 8.625% 2019	\$50,000	32	-	Studio City Finance 8.5% 2020	\$250,000	169	-		
Renaissance Home Equity Loan Trust FRN 2034	\$2,365,363	1,246	0.2	Sungard Data Systems 7.375% 2018	\$1,000,000	643	0.1		
Renaissance Home Equity Loan Trust FRN 2035	\$1,620,837	884	0.2	Sungard Data Systems 6.625% 2019	\$850,000	541	0.1		
Residential Accredited Loans FRN 2034	\$250,494	148	-	Swiss Re 6.854% FRN Perpetual	\$710,000	462	0.1		
Residential Asset Securitization Trust 5% 2019	\$209,856	131	-	Talos Production 9.75% 2018	\$250,000	156	-		
Residential Asset Securitization Trust 5.5% 2035	\$3,077,000	1,640	0.3	Taseko Mines 7.75% 2019	\$150,000	93	-		
Residential Asset Securitization Trust 6% 2035	\$1,265,826	704	0.1	Teekay 8.5% 2020	\$45,000	30	-		
Residential Asset Securitization Trust FRN 2035	\$3,000,000	1,787	0.3	Tenet Healthcare 6.25% 2018	\$50,000	34	-		
Reynolds Group 7.125% 2019	\$300,000	193	-	Tenet Healthcare 4.75% 2020	\$515,000	312	0.1		
Reynolds Group 9% 2019	\$2,600,000	1,686	0.3	Tenet Healthcare 6% 2020	\$60,000	39	-		
Reynolds Group 9.875% 2019	\$250,000	168	-	Tenet Healthcare 8% 2020	\$2,100,000	1,395	0.2		
Reynolds Group 5.75% 2020	\$660,000	411	0.1	Tenet Healthcare 8.125% 2022	\$18,000	12	-		
RFMSI Series Trust 6% 2036	\$68,996	42	-	Terex 6.5% 2020	\$590,000	385	0.1		
Rite Aid 8% 2020	\$250,000	170	-	Time Warner Cable 6.75% 2018	\$20,000	14	-		
Rivers Pit Bor 9.5% 2019	\$38,000	25	-	T-Mobile USA 5.25% 2018	\$265,000	170	-		
ROC Finance 12.125% 2018	\$39,000	24	-	T-Mobile USA 6.464% 2019	\$181,000	116	-		
Roofing Supply 10% 2020	\$100,000	68	-	T-Mobile USA 6.125% 2022	\$5,000	3	-		
Rowan 5.85% 2044	\$425,000	260	0.1	T-Mobile USA 6.625% 2023	\$80,000	50	-		
Royal Bank of Scotland 6.125% 2022	\$200,000	125	-	T-Mobile USA 6.5% 2024	\$5,000	3	-		
Royal Bank of Scotland FRN 2022	\$35,000	25	-	Tops Holdings 8.875% 2017	\$75,000	50	-		
Royal Bank of Scotland 6% 2023	\$1,230,000	754	0.1	Trinseo Materials Operating 8.75% 2019	\$1,465,000	915	0.2		
RSC Equipment Rental 8.25% 2021	\$730,000	498	0.1	TW Telecom Holdings 6.375% 2023	\$44,000	28	-		
Sabre 8.5% 2019	\$3,340,000	2,242	0.4	UBS 7.625% 2022	\$3,605,000	2,537	0.4		
Salix Pharm 6% 2021	\$25,000	16	-	UBS 4.75% 2023	\$2,620,000	1,587	0.3		
Sally 6.875% 2019	\$1,907,000	1,274	0.2	UBS Commercial Mortgage Trust 5.378% 2038	\$2,100,000	1,381	0.2		
SAMI FRN 2046	\$2,026,292	1,037	0.2	UCI International 8.625% 2019	\$890,000	533	0.1		
SASC FRN 2035	\$137,482	70	-	Ultrapetrol 8.875% 2021	\$100,000	65	-		
Saxon Asset Securities Trust FRN 2036	\$303,911	163	-	Ultrapetrol 8.875% 2021 144A	\$36,000	24	-		
Schaeffler Finance 4.75% 2021	\$1,000,000	605	0.1	United Rentals 7.375% 2020	\$385,000	259	-		
Scotts Miracle-Gro 6.625% 2020	\$1,466,000	961	0.2	United Rentals 7.625% 2022	\$3,000,000	2,050	0.4		
Seadrill 6.125% 2020	\$200,000	122	-	UPCB Finance 7.25% 2021	\$1,405,000	924	0.2		
Sealed Air 8.125% 2019	\$75,000	51	-	UPCB Finance 6.875% 2022	\$1,115,000	727	0.1		
Sealed Air 8.375% 2021	\$2,760,000	1,916	0.3	UPCB Finance III 6.625% 2020	\$1,100,000	707	0.1		
Seminole Hard Rock 5.875% 2021	\$175,000	105	-	US Airways 3.95% 2027	\$2,325,000	1,405	0.2		
Sempra Energy 2.875% 2022	\$2,075,000	1,185	0.2	US West Capital Funding 6.875% 2028	\$7,000	4	-		
Seneca Gaming 8.25% 2018	\$171,000	112	-	Vail Resorts 6.5% 2019	\$1,785,000	1,144	0.2		
Sensata Technologies 6.5% 2019	\$1,800,000	1,176	0.2	Valeant Pharmaceuticals 6.75% 2018	\$250,000	167	-		
Sequoia Mortgage Trust FRN 2034	\$1,035,416	623	0.1	Valeant Pharmaceuticals 6.875% 2018	\$200,000	130	-		
Sequoia Mortgage Trust FRN 2043	\$6,562,037	3,677	0.6	Valeant Pharmaceuticals 7% 2020	\$1,365,000	894	0.2		
Serta Simmons 8.125% 2020	\$2,465,000	1,627	0.3	Valeant Pharmaceuticals 6.75% 2021	\$1,850,000	1,201	0.2		
Servicemaster 7% 2020	\$805,000	495	0.1	Ventas Realty 4% 2019	\$2,010,000	1,296	0.2		
Shingle Springs Tribal Gaming 9.75% 2021	\$61,000	40	-	Ventas Realty 3.25% 2022	\$1,000,000	577	0.1		
Sinclair Television Group 5.375% 2021	\$700,000	419	0.1	Ventas Realty 4.25% 2022	\$1,135,000	705	0.1		
Sirius XM Holdings 5.875% 2020	\$10,000	6	-	Verizon Communications FRN 2016	\$4,565,000	2,853	0.5		
Sitel 11% 2017	\$300,000	194	-	Verizon Communications 3.85% 2042	\$1,045,000	532	0.1		
Sitel 11.5% 2018	\$121,000	69	-	VFC 3.13% 2026	\$736,063	451	0.1		
Six Flags Entertainment 5.25% 2021	\$125,000	75	-	Viacom 4.375% 2043	\$1,250,000	665	0.1		
Smithfield Foods 5.25% 2018	\$500,000	317	0.1	Viasystems 7.875% 2019	\$50,000	33	-		
Societe Generale 8.25% FRN Perpetual	\$3,400,000	2,202	0.4	Virgin Media Finance 8.375% 2019	\$100,000	66	-		
Softbank Corp 4.5% 2020	\$200,000	120	-	Visteon 6.75% 2019	\$1,840,000	1,177	0.2		
Southern Power Companies 5.25% 2043	\$815,000	519	0.1	Volt 2013-NPL7 5.2525% 2053	\$3,645,000	2,142	0.4		
Spectra Energy Partners 5.95% 2043	\$1,730,000	1,185	0.2	Volt 2013-NPL6 5.25% 2054	\$3,643,561	2,138	0.4		
Sprint 7.25% 2021	\$184,000	121	-	Volt 2013-NPL5 5.5% 2055	\$3,498,801	2,065	0.4		
Sprint 7.875% 2023	\$185,000	120	-	VWR Funding 7.25% 2017	\$200,000	129	-		
Sprint 7.125% 2024	\$21,000	13	-	Wachovia Bank FRN 2042	\$3,250,000	2,055	0.4		
Sprint Capital 8.75% 2032	\$3,985,000	2,627	0.5	Wachovia Bank 5.962% 2045	\$3,000,000	2,014	0.3		
Sprint Nextel 9% 2018	\$750,000	550	0.1	Wachovia Bank FRN 2045	\$4,210,000	2,795	0.5		
Sprint Nextel 7% Mar 2020	\$178,000	122	-	WCI Communities 6.875% 2021	\$100,000	61	-		
Sprint Nextel 7% Aug 2020	\$20,000	13	-	WebMD 1.5% 2020	\$1,090,000	733	0.1		
Sprint Nextel 6% 2022	\$188,000	113	-	Weingarten Realty Investors 3.375% 2022	\$1,805,000	1,037	0.2		
Stackpole International 7.75% 2021	\$106,000	67	-	Wells Enterprises 6.75% 2020	\$25,000	16	-		
Standard Pacific 8.375% 2021	\$125,000	89	-	Wells Fargo 5.375% 2043	\$1,955,000	1,223	0.2		
Station Casinos 7.5% 2021	\$173,000	112	-	Wells Fargo Home Equity FRN 2035	\$2,000,000	1,157	0.2		
Structured Asset Investment Loan Trust FRN Apr 2033	\$2,151,300	1,276	0.2	Wells Fargo Mortgage Backed Securities Trust 4.75% 2020	\$49,906	31	-		
Structured Asset Investment Loan Trust FRN Feb 2034	\$2,906,302	1,679	0.3	Wells Fargo Mortgage Backed Securities Trust FRN 2035	\$4,016,933	2,494	0.4		
Structured Asset Investment Loan Trust FRN Jul 2034	\$5,148,962	2,935	0.5	Wells Fargo Mortgage Backed Securities Trust 5.250% 2036	\$3,437,665	2,144	0.4		
Structured Asset Investment Loan Trust FRN Aug 2034	\$1,253,278	701	0.1	WFRBS Commercial Mortgage Trust FRN 2044	\$480,000	311	0.1		
Structured Asset Investment Loan Trust FRN Sep 2034	\$249,589	135	-	WFRBS Commercial Mortgage Trust 3.36% 2048	\$1,150,000	686	0.1		
Structured Asset Securities 4.72% 2035	\$213,055	136	-	Wind Acquisition Finance 7.25% 2018	\$200,000	128	-		
Structured Asset Securities 5.5% 2035	\$3,153,344	1,950	0.3	Windstream 7.75% 2020	\$55,000	36	-		
				Windstream 7.75% 2021	\$2,555,000	1,634	0.3		
				WMG Acquisition 11.5% 2018	\$100,000	69	-		
				WMG Acquisition 6% 2021	\$25,000	16	-		
				Wok Acquisition 10.25% 2020	\$100,000	66	-		

Portfolio statement – continued

As at 31 January 2014

Investment	Holding	Market value £'000	Total net assets %
World Wide Supply 7.75% 2017	\$20,000	12	-
Xstrata Finance Canada 4% 2022	\$1,445,000	841	0.1
Xstrata Finance Canada 5.3% 2042	\$1,235,000	698	0.1
Zayo Group 10.125% 2020	\$210,000	148	-
Euro – 8.0%			
Agrokor 9.125% 2020	€750,000	689	0.1
Allianz 4.816% FRN Perpetual	€1,400,000	1,188	0.2
Ardagh Packaging Finance 9.25% 2020	€1,000,000	894	0.2
Assicurazioni Generali 2.875% 2020	€402,000	337	0.1
Assicurazioni Generali 7.75% FRN 2042	€1,600,000	1,533	0.3
Atlantia 2.875% 2021	€1,936,000	1,624	0.3
AXA 5.125% 2043	€675,000	601	0.1
Banco Santander 4.625% 2016	€1,700,000	1,496	0.3
Berica 8 Residential FRN 2048	€1,412,488	1,102	0.2
BNP Paribas 7.781% FRN Perpetual	€1,300,000	1,247	0.2
BPCE 9% FRN Perpetual	€700,000	610	0.1
Capsugel Finance 9.875% 2019	€750,000	683	0.1
Compagnie De Saint-Gobain 3.625% 2022	€279,000	247	-
Credit Suisse 5.75% 2025	€1,465,000	1,281	0.2
Deutsche Raststätten Gruppe 6.75% 2020	€500,000	433	0.1
Eileme 11.75% 2020	€750,000	743	0.1
Elior Finance 6.5% 2020	€1,000,000	892	0.2
Enel 6.5% 2074	€320,000	279	-
Fleet Street Finance Three FRN 2016	€18,328	15	-
FoodCorp 8.75% 2018	€675,000	601	0.1
Gas Natural Fenosa 3.875% 2022	€2,300,000	2,019	0.3
Geo Travel Finance 7.5% 2018	€750,000	658	0.1
Granite Master FRN 2030	€1,250,000	977	0.2
Granite Master FRN 2054	€1,400,000	1,091	0.2
Hannover Finance 5% 2043	€1,300,000	1,177	0.2
Intesa Securities Mortgage 0% 2033	€906,000	662	0.1
Krauss-Maffei 8.75% 2020	€750,000	688	0.1
Lafarge 4.75% 2020	€2,500,000	2,172	0.4
Matterhorn Mobile 8.25% 2020	€1,000,000	899	0.2
NGG Finance 4.25% 2076	€1,629,000	1,351	0.2
Ontex IV 7.5% 2018	€750,000	639	0.1
Repsol International Finance 2.625% 2020	€1,900,000	1,564	0.3
Rexel 5.125% 2020	€750,000	646	0.1
Rhino Bondco 7.25% 2020	€750,000	640	0.1
Schaeffler Finance 7.75% 2017	€750,000	709	0.1
Skandinaviska Enskilda Banken 7.0922% FRN Perpetual	€1,400,000	1,306	0.2
Smurfit Kappa Acquisition 5.125% 2018	€1,000,000	884	0.2
Societe Generale 6.999% FRN Perpetual	€1,450,000	1,311	0.2
Spie Bondco 3 11% Perpetual	€750,000	704	0.1
TDA CAM FRN 2039	€1,793,609	1,372	0.2
Techem 6.125% 2019	€750,000	669	0.1
Telefonica 6.5% FRN Perpetual	€3,100,000	2,683	0.5
Telenet Finance 6.25% 2022	€1,000,000	885	0.2
Trionista TopCo 5% 2020	€1,000,000	844	0.1
UBS 4.28% FRN Perpetual	€2,050,000	1,704	0.3
Unitymedia 9.5% 2021	€1,000,000	952	0.2
UPC 6.375% 2022	€750,000	630	0.1
Sterling – 3.9%			
Anglian Water (Osprey) Financing 7% 2018	£1,098,000	1,180	0.2
Auburn Securities FRN 2041	£850,000	738	0.1
Boparan 9.875% 2018	£750,000	811	0.1
Credit Agricole 8.125% FRN Perpetual	£2,350,000	2,579	0.4
Crown Newco 8.875% 2019	£500,000	523	0.1
Direct Line Insurance 9.25% 2042	£400,000	503	0.1
DNB 6.0116% FRN Perpetual	£1,350,000	1,417	0.2
Enel 7.75% 2075	£1,005,000	1,065	0.2
Gatwick Funding 5.25% 2024	£1,000,000	1,097	0.2
HBOS Capital Funding 6.461% FRN Perpetual	£4,195,000	4,367	0.7
Lloyds Banking Group 5.75% 2025	£589,000	624	0.1
Lowell Group Financing 10.75% 2019	£500,000	566	0.1
NGG Finance 5.625% 2073	£850,000	853	0.2
Paragon Mortgages 0.93% 2034	£1,191,945	1,111	0.2
Santander Issuances 7.3% 2019	£1,400,000	1,435	0.2
Standard Life 5.5% 2042	£930,000	975	0.2
Standard Life 6.75% Perpetual	£433,000	476	0.1
Swiss Reinsurance FRN Perpetual	£850,000	924	0.2
UBS 5.24% FRN 2021	£456,000	487	0.1
Virgin Media Finance 8.875% 2019	£500,000	542	0.1
Zurich Finance (UK) 6.625% FRN Perpetual	£750,000	830	0.1

Investment	Holding	Market value £'000	Total net assets %
Government bonds – 5.2% (6.3%)			
Brazil – 0.5%			
Brazil 10% 2017	BRL13,000	3,067	0.5
Mexico – 1.0%			
Mexico 3.625% 2022	\$9,900,000	5,913	1.0
Russia – 1.0%			
Russia 4.875% 2023	\$9,400,000	5,744	1.0
South Africa – 1.0%			
South Africa 5.875% 2025	\$9,300,000	5,784	1.0
United States of America – 1.7%			
US Treasury 0% Mar 2014	\$10,000,000	6,075	1.0
US Treasury 0% Jul 2014	\$3,534,000	2,147	0.4
US Treasury 0.75% 2042	\$3,165,000	1,707	0.3
Forward currency contracts – 0.2% ((1.8%))			
Brazilian Real			
Sell BRL 2,281,613 buy \$943,010 dated 17/03/14		7	-
Euro			
Buy €5,196,068 sell £4,287,119 dated 17/03/14		(8)	-
Sell €65,278,187 buy £54,033,740 dated 17/03/14		282	-
Japanese Yen			
Sell ¥2,619,522,622 buy £15,294,044 dated 17/03/14		(283)	-
US Dollar			
Buy \$6,295,233 sell £3,829,631 dated 17/03/14		(4)	-
Buy \$9,287,144 sell £5,610,597 dated 17/03/14		34	-
Sell \$12,509,293 buy £7,560,437 dated 17/03/14		(42)	-
Sell \$782,910,770 buy £476,901,530 dated 17/03/14		1,100	0.2
Futures – (0.2%) (0.2%)			
Euro BOBL Futures Mar 2014	(123)	(116)	-
Euro Bund Index Futures Mar 2014	(228)	(494)	(0.1)
Long Gilt Futures Mar 2014	31	81	-
US 5 Year Treasury Note Futures Mar 2014	59	(7)	-
US 10 Year Treasury Note Futures Mar 2014	(2,618)	(465)	(0.1)
US Long Bond Futures Mar 2014	83	147	-
US Ultra Bond Futures Mar 2014	(39)	(140)	-
Swaps – (0.2%) (0.2%)			
Credit Default Swaps FSL 4.5% 20 Sep 2017	870,000	-	-
Credit Default Swaps FSL 4.5% 20 Sep 2017	(870,000)	(52)	-
Credit Default Swaps TRW Automotive 1% 20 Dec 2017	2,350,000	-	-
Credit Default Swaps TRW Automotive 1% 20 Dec 2017	(2,350,000)	(4)	-
Credit Index Swaps CDX.NA.HY 5% 20 Dec 2018	27,000,000	(1,179)	(0.2)
Liquidity funds – 6.5% (5.5%)			
JPM Sterling Liquidity 'X' (Distribution)^\$	38,006,272	38,006	6.5
Investment assets (including investment liabilities)		557,520	94.6
Net other assets		31,686	5.4
Net assets		589,206	100.0

Unless otherwise stated the above securities are admitted to official stock exchange listings or trade on a regulated market.

The comparative percentage figures in brackets are at 31 January 2013.

^ Deemed to be investment in related parties of the ACD

\$ Approved security as defined in the collective investment scheme sourcebook

Portfolio statement – continued

As at 31 January 2014

Portfolio credit ratings	Market value £'000
AAA	34,719
AA	706
AA-	3,309
A+	2,322
A	22,883
A-	21,018
BBB+	29,118
BBB	51,316
BBB-	44,159
BB+	20,024
BB	26,689
BB-	30,873
B+	43,162
B	54,052
B-	35,661
CCC+	28,559
CCC	29,404
C	12,856
Unrated	25,964
Total bonds	516,794
Equity	3,863
Liquidity funds	38,006
Futures	(994)
Swaps	(1,235)
Forward currency contracts	1,086
Investment assets (including investment liabilities)	557,520

Counterparty exposure

Counterparty	Forward currency contracts £'000	Futures contracts £'000	Total
Barclays	0	-	0
BNP Paribas	6	-	6
CitiBank	3	-	3
Credit Suisse	353	-	353
Deutsche Bank	354	-	354
Goldman Sachs	5	-	5
HSBC	65	-	65
JP Morgan	-	226	226
Merrill Lynch	319	-	319
NAB Ltd	0	-	0
RBC	(5)	-	(5)
Societe Generale	251	-	251
State Street	35	-	35
Toronto Dominion Bank	2	-	2
UBS	(310)	-	(310)
Westpac Banking Corp	7	-	7

At the balance sheet date, there was no collateral received by the fund from the above counterparties.

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.

Portfolio movements

For the year ending 31 January 2014

	£'000		£'000
Total of all purchases for the year	937,420	Total of all sales for the year	1,042,479
Major purchases	Cost	Major sales	Proceeds
JPM Sterling Liquidity 'X' (Distribution)^	224,716	JPM Sterling Liquidity 'X' (Distribution)^	222,147
FNMA 3% 30 Yrs Mar 2043	54,535	FNMA 3% 30 Yrs Mar 2043	54,682
FNMA 3.50% 30 Yrs Aug 2043	50,779	FNMA 3% 30 Yrs Feb 2042	54,682
FNMB 3.50% 30 Yrs Sep 2043	40,658	FNMA 3.50% 30 Yrs Aug 2043	50,381
Federal Home Loan 3.5% 2043	40,329	FNMB 3.50% 30 Yrs Sep 2043	40,442
FNMA 4.5% 30 Yrs Sep 2033	23,962	Federal Home Loan 3.5% 2043	38,943
Russia 7.6% 2022	12,866	FNMA 4.5% 30 Yrs Sep 2033	23,432
Mexico 7.75% 2017	12,764	Mexico 10% 2024	20,996
GNMA 3% 30 Yrs Mar 2042	9,813	South Africa 7.75% 2023	12,791
US Treasury 0% Aug 2013	6,456	Mexico 7.75% 2017	12,138
US Treasury 0% Mar 2014	6,368	Russia 7.6% 2022	11,816
Russian Federation 7% 2023	6,167	GNMA 3% 30 Yrs Feb 2042	9,837
Mexico 3.625% 2022	6,110	GNMA 3% 30 Yrs Mar 2042	9,830
Mexico 10% 2024	6,110	Turkey 8.5% 2022	6,620
South Africa 5.875% 2025	6,104	US Treasury 0% Aug 2013	6,363
South Africa 10.5% 2026	6,072	Turkey (Republic of) 7.1% 2023	6,213
Brazil 2.625% 2023	6,060	South Africa 10.5% 2026	6,185
Turkey (Republic of) 7.1% 2023	6,053	Russian Federation 7% 2023	6,079
Russia 4.875% 2023	6,008	US Treasury 0% Mar 2013	5,922
Sequoia Mortgage Trust FRN 2043	4,381	Brazil 2.625% 2023	5,900

^ Deemed to be investment in related parties of the ACD

Financial statements

Statement of total return

For the year ending 31 January

	£'000	2014 £'000	£'000	2013 £'000
Income				
Net capital (losses)/gains (Note 1)		(13,570)		8,477
Revenue (Note 2)	31,902		23,075	
Expenses (Note 3)	(3,286)		(3,156)	
Net revenue before taxation	28,616		19,919	
Taxation (Note 4)	8		(10)	
Net revenue after taxation		28,624		19,909
Total return before distributions		15,054		28,386
Finance costs: Distributions (Note 5)		(28,671)		(19,894)
Change in net assets attributable to shareholders from investment activities		(13,617)		8,492

Statement of change in net assets attributable to shareholders

For the year ending 31 January

	£'000	2014 £'000	£'000	2013 £'000
Opening net assets attributable to shareholders		640,394		356,126
Amounts receivable on issue of shares	117,666		332,324	
Amounts payable on cancellation of shares	(166,769)		(66,345)	
		(49,103)		265,979
Change in net assets attributable to shareholders from investment activities (see above)		(13,617)		8,492
Retained distributions on accumulation shares		11,532		9,797
Closing net assets attributable to shareholders		589,206		640,394

Balance sheet

As at 31 January

	£'000	2014 £'000	£'000	2013 £'000
ASSETS				
Investment assets		560,314		698,760
Debtors (Note 7)	8,238		68,989	
Cash and bank balances (Note 8)	42,728		23,613	
Total other assets		50,966		92,602
Total assets		611,280		791,362
LIABILITIES				
Investment liabilities		(2,794)		(14,483)
Creditors (Note 9)	(16,257)		(134,148)	
Distribution payable on income shares	(3,023)		(2,337)	
Total other liabilities		(19,280)		(136,485)
Total liabilities		(22,074)		(150,968)
Net assets attributable to shareholders		589,206		640,394

The notes to these financial statements are shown on pages 289 to 291.

Notes to the financial statements for the year ending 31 January 2014

1. Net capital (losses)/gains

	2014	2013
	£'000	£'000
Currency (losses)/gains	(413)	2,353
Derivative contracts	(4,643)	(7,188)
Forward currency contracts	19,373	(244)
Non-derivative securities	(27,887)	13,556
Net capital (losses)/gains	<u>(13,570)</u>	<u>8,477</u>

2. Revenue

	2014	2013
	£'000	£'000
Income from Liquidity funds	179	261
Interest on bank and term deposits	44	83
Interest on derivatives	186	(583)
Interest on fixed-interest securities	31,493	23,314
Total revenue	<u>31,902</u>	<u>23,075</u>

3. Expenses

	2014	2013
	£'000	£'000
Payable to the ACD or associate of the ACD:		
ACD fee	2,586	2,593
Fixed expenses	700	563
Total expenses	<u>3,286</u>	<u>3,156</u>

4. Taxation

	2014	2013
	£'000	£'000
a) Analysis of charge in the year		
Overseas tax suffered	(8)	10
Current year tax charge (Note 4b)	<u>(8)</u>	<u>10</u>

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.

	2014	2013
	£'000	£'000
Net revenue before taxation	28,616	19,919
Corporation tax at 20%	<u>5,723</u>	<u>3,984</u>
Effects of:		
Excess expenses for which no relief taken	25	64
Interest distributions deductible for tax purposes	(5,748)	(4,048)
Overseas tax suffered	(8)	10
	<u>(5,731)</u>	<u>(3,974)</u>
Current year tax charge (Note 4a)	<u>(8)</u>	<u>10</u>

5. Finance costs

Distributions

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

	2014	2013
	£'000	£'000
First interim interest distribution	7,675	5,395
Second interim interest distribution	7,851	4,563
Third interim interest distribution	6,700	4,581
Final interest distribution	6,256	5,968
Add: Amounts payable on cancellation of shares	705	262
Deduct: Amounts receivable on issue of shares	(516)	(875)
Total finance costs	<u>28,671</u>	<u>19,894</u>

Details of the distribution per share are set out on pages 292 to 295.

6. Movement between net revenue after taxation and distributions

	2014	2013
	£'000	£'000
Net revenue after taxation	28,624	19,909
Add: Undistributed revenue brought forward	40	25
Deduct: Undistributed revenue carried forward	(29)	(40)
Equalisation on conversions	36	-
	<u>28,671</u>	<u>19,894</u>

7. Debtors

	2014	2013
	£'000	£'000
Accrued income	6,646	8,361
Due from the ACD for shares created	558	1,849
Overseas tax recoverable	38	318
Sales awaiting settlement	996	58,461
Total debtors	<u>8,238</u>	<u>68,989</u>

8. Cash and bank balances

	2014	2013
	£'000	£'000
Amounts held at futures clearing houses and brokers	1,309	(1,197)
Cash and bank balances	41,419	24,810
Total cash and bank balances	<u>42,728</u>	<u>23,613</u>

9. Creditors

	2014	2013
	£'000	£'000
Accrued expenses	244	310
Due to the ACD for shares cancelled	13,842	707
Income tax payable	1,425	1,496
Purchases awaiting settlement	746	131,635
Total creditors	<u>16,257</u>	<u>134,148</u>

10. Portfolio transaction costs

No portfolio transactions costs were incurred during the current or prior year.

Notes to the financial statements – continued

11. 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 £13,528,856 (31.01.13: £(831,114)). Details of related party transactions are given under note 13 on page 413.

Investments considered to be related parties have been identified in the portfolio statement on pages 281 to 285 and the revenue from these investments was £310,583 (31.01.13: £260,997).

The gross stocklending income received was £nil (31.01.13: £284), with fees deducted of £nil (31.01.13: £36).

The following parties held a material interest in the Fund at the year end date:

- Leicestershire County Council, Pension Fund 15.50% (31.01.13: 12.46%)
- Cofunds Nominees Ltd 14.73% (31.01.13: 10.71%)
- London Borough of Hillingdon, Pension Fund 12.92% (31.01.13: 11.66%)

12. 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.

Currency	Net foreign currency assets/(liabilities)		
	Total £'000	Monetary exposures £'000	Non-monetary exposures £'000
31.01.14			
US Dollar	486,332	45,829	440,503
Euro	50,748	2,938	47,810
Brazilian Real	3,633	556	3,067
Japanese Yen	(283)	(283)	-
31.01.13			
Chinese Renminbi	13,107	13,107	-
Mexican Peso	12,821	(796)	13,617
Turkish Lira	6,537	167	6,370
South African Rand	6,167	(6,075)	12,242
Indian Rupee	4,597	4,597	-
Russian Rouble	4,504	4,504	-
Philippine Peso	4,494	4,494	-
Korean Won	4,356	4,356	-
Malaysian Ringgit	4,345	4,345	-
Brazilian Real	(12)	(12)	-
Australian Dollar	(45)	1,229	(1,274)
Euro	(258)	(52,055)	51,797
US Dollar	(62,219)	(620,157)	557,938

Interest rate risk

The tables below detail the interest rate profile of the Fund's assets and liabilities as at the year end.

Currency	Total assets £'000	Floating rate financial assets £'000	Fixed rate financial assets £'000	Financial assets not carrying any interest £'000
	31.01.14			
US Dollar	486,341	153,689	327,909	4,743
UK Sterling	67,311	42,609	19,820	4,882
Euro	51,484	4,643	45,234	1,607
Brazilian Real	3,633	558	3,067	8
Japanese Yen	(283)	-	-	(283)
31.01.13				
UK Sterling	646,850	36,617	20,380	589,853
US Dollar	65,646	494,694	75,995	(505,043)
Chinese Renminbi	13,107	-	-	13,107
Mexican Peso	12,821	-	13,617	(796)
Turkish Lira	6,537	-	6,370	167
South African Rand	6,167	-	12,242	(6,075)
Indian Rupee	4,597	-	-	4,597
Russian Rouble	4,504	-	-	4,504
Philippine Peso	4,494	-	-	4,494
Korean Won	4,356	-	-	4,356
Malaysian Ringgit	4,345	-	-	4,345
Euro	3,512	2,588	48,002	(47,078)
Brazilian Real	(12)	711	-	(723)
Australian Dollar	(45)	5,303	-	(5,348)

The floating rate financial assets comprise investments in variable interest rate paying corporate debt and bank balances that bear interest at rates based on LIBOR or its overseas equivalent.

Currency	Total liabilities £'000	Floating rate financial liabilities £'000	Financial liabilities not carrying any interest £'000
	31.01.14		
UK Sterling	18,535	-	18,535
US Dollar	9	-	9
Euro	736	-	736
31.01.13			
US Dollar	127,865	-	127,865
UK Sterling	4,851	-	4,851
Euro	3,770	-	3,770

Currency	Fixed rate financial assets	
	Weighted average interest rate	Weighted average period for which rate is fixed (years)
31.01.14		
Brazilian Real	12.4%	2.9
UK Sterling	5.5%	21.4
Euro	4.5%	13.2
US Dollar	4.5%	12.9
31.01.13		
Turkish Lira	7.5%	9.6
Mexican Peso	7.0%	11.9
South African Rand	6.9%	10.1
UK Sterling	4.5%	9.9
US Dollar	3.8%	13.2
Euro	3.7%	7.2

For consideration of other risks including liquidity, pricing and credit risk, please refer to the notes to the aggregated financial statements, pages 413 to 414.

Notes to the financial statements – continued

13. 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 fixed expenses charge are shown below.

	ACD fee	Fixed expenses
Class A shares:	1.00%	0.18%
Class B shares:	0.65%	0.18%
Class C shares:	0.50%	0.18%
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 279 and 280. All classes have the same rights on winding up.

14. Derivatives

The Fund enters into derivative transactions in the form of forward currency contracts, futures and credit default swaps. The Fund may use derivatives for investment purposes or efficient portfolio management including hedging, where appropriate. The positive mark to market 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 & 500 days of history. As at the balance date the VaR was 1.07%.

The effective observation period changed to 500 days from 31/10/2012 onwards due to a change to a new VAR calculation process.

Further information on the derivative risks can be found in the notes to the aggregated financial statements on page 414.

15. Contingent liabilities and capital commitments

At the balance sheet date there were no contingent liabilities or capital commitments (2013: none).

Distribution tables

Final interest distribution in pence per share

Group 1 – Shares purchased prior to 1 November 2013

Group 2 – Shares purchased 1 November 2013 to 31 January 2014

	Gross revenue	Tax at 20%	Net revenue	Equalisation	Distribution payable 30.04.14	Distribution paid 30.04.13
A-Class Accumulation Shares						
Group 1	0.600000	0.120000	0.480000	-	0.480000	0.470000
Group 2	0.308305	0.061661	0.246644	0.233356	0.480000	0.470000
A-Class Income Shares						
Group 1	0.512500	0.102500	0.410000	-	0.410000	0.420000
Group 2	0.267678	0.053536	0.214142	0.195858	0.410000	0.420000
B-Class Accumulation Shares						
Group 1	0.650000	0.130000	0.520000	-	0.520000	0.510000
Group 2	0.375351	0.075070	0.300281	0.219719	0.520000	0.510000
B-Class Income Shares						
Group 1	0.975000	0.195000	0.780000	-	0.780000	0.800000
Group 2	0.561259	0.112252	0.449007	0.330993	0.780000	0.800000
C-Class Accumulation Shares						
Group 1	1.025000	0.205000	0.820000	-	0.820000	0.840000
Group 2	0.553989	0.110798	0.443191	0.376809	0.820000	0.840000
C-Class Gross Accumulation Shares						
Group 1	1.050000	0.000000	1.050000	-	1.050000	1.030000
Group 2	0.978883	0.000000	0.978883	0.071117	1.050000	1.030000
C-Class Income Shares						
Group 1	1.087500	0.217500	0.870000	-	0.870000	0.880000
Group 2	0.571598	0.114320	0.457278	0.412722	0.870000	0.880000
C-Class Gross Income Shares						
Group 1	1.020000	0.000000	1.020000	-	1.020000	1.030000
Group 2	0.548304	0.000000	0.548304	0.471696	1.020000	1.030000
I-Class Accumulation Shares						
Group 1	1.175000	0.235000	0.940000	-	0.940000	0.920000
Group 2	0.487661	0.097532	0.390129	0.549871	0.940000	0.920000
I-Class Gross Accumulation Shares						
Group 1	1.510000	0.000000	1.510000	-	1.510000	1.450000
Group 2	1.403777	0.000000	1.403777	0.106223	1.510000	1.450000
I-Class Income Shares						
Group 1	1.075000	0.215000	0.860000	-	0.860000	0.880000
Group 2	0.431565	0.086313	0.345252	0.514748	0.860000	0.880000
I-Class Gross Income Shares						
Group 1	1.100000	0.000000	1.100000	-	1.100000	1.110000
Group 2	0.494133	0.000000	0.494133	0.605867	1.100000	1.110000
X-Class Accumulation Shares						
Group 1	1.287500	0.257500	1.030000	-	1.030000	1.000000
Group 2	1.287500	0.257500	1.030000	0.000000	1.030000	1.000000
X-Class Gross Accumulation Shares						
Group 1	1.240000	0.000000	1.240000	-	1.240000	1.190000
Group 2	0.883834	0.000000	0.883834	0.356166	1.240000	1.190000
X-Class Gross Income Shares						
Group 1	1.140000	0.000000	1.140000	-	1.140000	0.260000
Group 2	1.140000	0.000000	1.140000	0.000000	1.140000	0.260000

Distribution tables – continued

Third interim interest distribution in pence per share

Group 1 – Shares purchased prior to 1 August 2013

Group 2 – Shares purchased 1 August 2013 to 31 October 2013

	Gross revenue	Tax at 20%	Net revenue	Equalisation	Distribution paid 31.01.14	Distribution paid 31.01.13
A-Class Accumulation Shares						
Group 1	0.625000	0.125000	0.500000	-	0.500000	0.350000
Group 2	0.333154	0.066631	0.266523	0.233477	0.500000	0.350000
A-Class Income Shares						
Group 1	0.550000	0.110000	0.440000	-	0.440000	0.320000
Group 2	0.243240	0.048648	0.194592	0.245408	0.440000	0.320000
B-Class Accumulation Shares						
Group 1	0.700000	0.140000	0.560000	-	0.560000	0.350000
Group 2	0.430799	0.086160	0.344639	0.215361	0.560000	0.350000
B-Class Income Shares						
Group 1	1.037500	0.207500	0.830000	-	0.830000	0.610000
Group 2	0.542014	0.108403	0.433611	0.396389	0.830000	0.610000
C-Class Accumulation Shares						
Group 1	1.062500	0.212500	0.850000	-	0.850000	0.580000
Group 2	0.483580	0.096716	0.386864	0.463136	0.850000	0.580000
C-Class Gross Accumulation Shares						
Group 1	1.100000	0.000000	1.100000	-	1.100000	0.640000
Group 2	0.598372	0.000000	0.598372	0.501628	1.100000	0.640000
C-Class Income Shares						
Group 1	1.150000	0.230000	0.920000	-	0.920000	0.710000
Group 2	0.644576	0.128915	0.515661	0.404339	0.920000	0.710000
C-Class Gross Income Shares						
Group 1	1.070000	0.000000	1.070000	-	1.070000	0.830000
Group 2	0.510474	0.000000	0.510474	0.559526	1.070000	0.830000
I-Class Accumulation Shares						
Group 1	1.225000	0.245000	0.980000	-	0.980000	0.720000
Group 2	1.225000	0.245000	0.980000	0.000000	0.980000	0.720000
I-Class Gross Accumulation Shares						
Group 1	1.130000	0.000000	1.130000	-	1.130000	1.150000
Group 2	1.128000	0.000000	1.128000	0.002000	1.130000	1.150000
I-Class Income Shares						
Group 1	1.125000	0.225000	0.900000	-	0.900000	0.700000
Group 2	0.649766	0.129953	0.519813	0.380187	0.900000	0.700000
I-Class Gross Income Shares						
Group 1	1.170000	0.000000	1.170000	-	1.170000	0.880000
Group 2	0.658809	0.000000	0.658809	0.511191	1.170000	0.880000
X-Class Accumulation Shares						
Group 1	1.325000	0.265000	1.060000	-	1.060000	0.800000
Group 2	1.325000	0.265000	1.060000	0.000000	1.060000	0.800000
X-Class Gross Accumulation Shares						
Group 1	1.300000	0.000000	1.300000	-	1.300000	0.970000
Group 2	0.670369	0.000000	0.670369	0.629631	1.300000	0.970000
X-Class Gross Income Shares						
Group 1	1.190000	0.000000	1.190000	-	1.190000	-
Group 2	1.190000	0.000000	1.190000	0.000000	1.190000	-

Distribution tables – continued

Second interim interest distribution in pence per share

Group 1 – Shares purchased prior to 1 May 2013

Group 2 – Shares purchased 1 May 2013 to 31 July 2013

	Gross revenue	Tax at 20%	Net revenue	Equalisation	Distribution paid 31.10.13	Distribution paid 31.10.12
A-Class Accumulation Shares						
Group 1	0.712500	0.142500	0.570000	-	0.570000	0.360000
Group 2	0.377775	0.075555	0.302220	0.267780	0.570000	0.360000
A-Class Income Shares						
Group 1	0.637500	0.127500	0.510000	-	0.510000	0.330000
Group 2	0.331449	0.066290	0.265159	0.244841	0.510000	0.330000
B-Class Accumulation Shares						
Group 1	0.762500	0.152500	0.610000	-	0.610000	-
Group 2	0.397041	0.079408	0.317633	0.292367	0.610000	-
B-Class Income Shares						
Group 1	1.162500	0.232500	0.930000	-	0.930000	0.650000
Group 2	0.509095	0.101819	0.407276	0.522724	0.930000	0.650000
C-Class Accumulation Shares						
Group 1	1.212500	0.242500	0.970000	-	0.970000	-
Group 2	0.402934	0.080587	0.322347	0.647653	0.970000	-
C-Class Gross Accumulation Shares						
Group 1	1.210000	0.000000	1.210000	-	1.210000	-
Group 2	0.550426	0.000000	0.550426	0.659574	1.210000	-
C-Class Income Shares						
Group 1	1.287500	0.257500	1.030000	-	1.030000	0.730000
Group 2	0.638323	0.127665	0.510658	0.519342	1.030000	0.730000
C-Class Gross Income Shares						
Group 1	1.210000	0.000000	1.210000	-	1.210000	0.700000
Group 2	0.593458	0.000000	0.593458	0.616542	1.210000	0.700000
I-Class Accumulation Shares						
Group 1	1.337500	0.267500	1.070000	-	1.070000	0.740000
Group 2	0.853159	0.170632	0.682527	0.387473	1.070000	0.740000
I-Class Gross Accumulation Shares						
Group 1	2.650000	0.000000	2.650000	-	2.650000	1.190000
Group 2	2.650000	0.000000	2.650000	0.000000	2.650000	1.190000
I-Class Income Shares						
Group 1	1.262500	0.252500	1.010000	-	1.010000	0.710000
Group 2	0.706848	0.141370	0.565478	0.444522	1.010000	0.710000
I-Class Gross Income Shares						
Group 1	1.300000	0.000000	1.300000	-	1.300000	0.920000
Group 2	0.388696	0.000000	0.388696	0.911304	1.300000	0.920000
X-Class Accumulation Shares						
Group 1	1.450000	0.290000	1.160000	-	1.160000	0.820000
Group 2	1.450000	0.290000	1.160000	0.000000	1.160000	0.820000
X-Class Gross Accumulation Shares						
Group 1	1.420000	0.000000	1.420000	-	1.420000	0.990000
Group 2	0.511679	0.000000	0.511679	0.908321	1.420000	0.990000
X-Class Gross Income Shares						
Group 1	1.330000	0.000000	1.330000	-	1.330000	-
Group 2	1.330000	0.000000	1.330000	0.000000	1.330000	-

Distribution tables – continued

First interim interest distribution in pence per share

Group 1 – Shares purchased prior to 1 February 2013

Group 2 – Shares purchased 1 February 2013 to 30 April 2013

	Gross revenue	Tax at 20%	Net revenue	Equalisation	Distribution paid 31.07.13	Distribution paid 31.07.12
A-Class Accumulation Shares						
Group 1	0.675000	0.135000	0.540000	-	0.540000	0.560000
Group 2	0.289290	0.057858	0.231432	0.308568	0.540000	0.560000
A-Class Income Shares						
Group 1	0.600000	0.120000	0.480000	-	0.480000	0.510000
Group 2	0.281760	0.056352	0.225408	0.254592	0.480000	0.510000
B-Class Accumulation Shares						
Group 1	0.737500	0.147500	0.590000	-	0.590000	-
Group 2	0.438582	0.087716	0.350866	0.239134	0.590000	-
B-Class Income Shares						
Group 1	1.125000	0.225000	0.900000	-	0.900000	0.930000
Group 2	0.551186	0.110237	0.440949	0.459051	0.900000	0.930000
C-Class Accumulation Shares						
Group 1	1.137500	0.227500	0.910000	-	0.910000	-
Group 2	0.714592	0.142918	0.571674	0.338326	0.910000	-
C-Class Gross Accumulation Shares						
Group 1	1.170000	0.000000	1.170000	-	1.170000	-
Group 2	0.679825	0.000000	0.679825	0.490175	1.170000	-
C-Class Income Shares						
Group 1	1.250000	0.250000	1.000000	-	1.000000	1.060000
Group 2	0.747421	0.149484	0.597937	0.402063	1.000000	1.060000
C-Class Gross Income Shares						
Group 1	1.170000	0.000000	1.170000	-	1.170000	0.090000
Group 2	0.653236	0.000000	0.653236	0.516764	1.170000	0.090000
I-Class Accumulation Shares						
Group 1	1.287500	0.257500	1.030000	-	1.030000	1.040000
Group 2	1.287500	0.257500	1.030000	0.000000	1.030000	1.040000
I-Class Gross Accumulation Shares						
Group 1	1.670000	0.000000	1.670000	-	1.670000	1.660000
Group 2	1.089906	0.000000	1.089906	0.580094	1.670000	1.660000
I-Class Income Shares						
Group 1	1.212500	0.242500	0.970000	-	0.970000	1.020000
Group 2	0.611812	0.122362	0.489450	0.480550	0.970000	1.020000
I-Class Gross Income Shares						
Group 1	1.270000	0.000000	1.270000	-	1.270000	1.310000
Group 2	0.674061	0.000000	0.674061	0.595939	1.270000	1.310000
X-Class Accumulation Shares						
Group 1	1.387500	0.277500	1.110000	-	1.110000	1.120000
Group 2	1.387500	0.277500	1.110000	0.000000	1.110000	1.120000
X-Class Gross Accumulation Shares						
Group 1	1.360000	0.000000	1.360000	-	1.360000	0.890000
Group 2	0.941046	0.000000	0.941046	0.418954	1.360000	0.890000
X-Class Gross Income Shares						
Group 1	1.300000	0.000000	1.300000	-	1.300000	-
Group 2	1.300000	0.000000	1.300000	0.000000	1.300000	-

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.

JPM UK Active Index Plus Fund

Investment objective and policy^A

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.

This Equity based fund is conservatively managed and designed to give broad market exposure to UK companies.

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.

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.

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 UK stock market delivered a strong positive return for the year, supported by accommodative monetary policy and the faster-than-expected domestic economic recovery.

The Fund, which aims to provide low cost, actively managed exposure to the UK stock market, outperformed its benchmark. Positive contributors to relative returns included stock selection in the support services and oil & gas producers sectors. Stock selection detracted moderately in food & drug retailers and financial services.

At the stock level, the Fund benefited in relative terms from an underweight position in Tullow Oil, which fell over the period, hurt by disappointing drilling results in Africa and South America. An overweight position in Ashtead was also positive as rising market share and an improving property market in the US helped the equipment rental company to deliver strong earnings growth. Stock-level detractors from relative returns included an overweight position in iron ore producer Ferrexpo, which was hurt by concerns over declining demand from China. Not holding Ocado was also detrimental as the online grocer rose sharply over the period following the announcement of a deal to provide delivery and logistics services to Morrisons. However, relative returns were boosted by the Fund's overweight position in sports clothing retailer JD Sports Fashion, which benefited from improving sales momentum and had a strong Christmas 2013 trading 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 specific risks, including the risk and reward profile, please refer to the Key Investor Information Document (KIID) available on the following website <http://am.jpmorgan.co.uk/investor/prices-and-factsheets/?list=all&tab=Prices>

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

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

Source: J.P. Morgan.

Formerly JPM UK Active 350 Fund, the Fund name was changed on 01/02/11.

^A On 01/02/11 the investment objective and policy of the Fund was changed.

^B The E-Class Shares were launched on 01/02/11 upon consolidation of the A and I Share Classes.

^C The benchmark of the Fund was changed from the FTSE™350 Index to the FTSE™ All-Share Index (Net) on 01/02/11.

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.

Fund outlook

The economic backdrop looks set to remain favourable for UK stocks. If the recovery continues to gather momentum, UK companies have the potential to deliver earnings growth this year.

12 month performance as at 31 January

	2014	2013	2012	2011	2010
JPM Active Index Plus					
E-Class Acc ^B	11.7%	15.7%	0.2%	19.0%	31.7%
Benchmark Index ^C	10.1%	16.3%	-0.3%	18.1%	32.7%

Fund statistics

Risk and Reward Profile	6*
Fund size	£84.8m
Benchmark Index ^C	FTSE All-Share Index (Net)
Fund charges	
E-Class	Initial Nil, Annual 0.25%

Top ten holdings (excluding Liquidity funds) %

Royal Dutch Shell 'B'	6.6
HSBC	5.8
Vodafone Group	5.5
BP	4.6
GlaxoSmithKline	3.4
JPM UK Smaller Companies 'I' (Accumulation) [^]	2.9
AstraZeneca	2.6
British American Tobacco	2.6
Rio Tinto	2.2
Lloyds Banking Group	2.2

[^] Deemed to be investment in related parties of the ACD

Sector breakdown

	%
Financials	21.6
Oil & gas	14.1
Consumer goods	12.8
Consumer services	11.1
Industrials	9.3
Basic materials	7.6
Health care	7.4
Telecommunications	7.4
Utilities	3.3
Equity investment instruments	2.9
Technology	1.0
Liquidity funds	0.8
Futures	0.0
Net other assets	0.7

Highest/lowest share price and distribution record

Calendar year	Highest share price	Lowest share price	Distribution per share (net)
A-Class Accumulation Shares			
2009	174.0p	108.1p	5.43p
2010	203.1p	160.7p	4.24p
2011 ^o	206.4p	199.0p	3.63p
A-Class Income Shares			
2009	38.73p	24.06p	1.08p
2010	44.08p	34.87p	0.94p
2011 ^o	44.80p	43.18p	0.79p
E-Class Accumulation Shares^e			
2011	210.8p	170.8p	-
2012	219.0p	189.1p	6.31p
2013	266.7p	221.0p	6.73p
2014 ^f	271.3p	257.7p	7.74p
E-Class Income Shares^e			
2011	44.89p	36.37p	-
2012	45.17p	39.01p	1.33p
2013	53.41p	45.58p	1.38p
2014 ^f	54.34p	51.60p	1.55p
I-Class Accumulation Shares			
2009	184.8p	114.3p	6.74p
2010	216.9p	171.1p	5.37p
2011 ^o	220.5p	212.7p	4.99p
I-Class Income Shares			
2009	78.26p	48.41p	2.93p
2010	89.12p	70.30p	2.27p
2011 ^o	90.59p	87.26p	2.06p

^o A-Class Accumulation Shares, A-Class Income Shares, I-Class Accumulation Shares and I-Class Income Shares were closed on 1 February 2011.

^e E-Class Accumulation Shares and E-Class Income Shares were launched on 1 February 2011.

^f To 31 January 2014.

Portfolio turnover rate

31.01.13	56.2%
31.01.14	46.4%

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

Portfolio transaction costs

	Broker Commissions	Transaction Taxes	Total
31.01.13	0.11%	0.17%	0.28%
31.01.14	0.08%	0.17%	0.25%

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

Stamp duty reserve tax

31.01.13	0.00%
31.01.14	0.00%

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

Net asset values and Ongoing charges

Date	Net asset value per share class £'000	Number of shares	Net asset value per share	Ongoing charges
A-Class Accumulation Shares				
31.01.11	59,545	29,936,871	198.9p	1.17%
A-Class Income Shares				
31.01.11	25	58,998	42.37p	1.18%
E-Class Accumulation Shares				
31.01.12	63,808	32,015,959	199.3p	0.41%
31.01.13	73,607	31,925,004	230.6p	0.40%
31.01.14	83,460	32,409,496	257.5p	0.40%
E-Class Income Shares				
31.01.12	68	166,565	41.11p	0.41%
31.01.13	1,232	2,668,850	46.17p	0.40%
31.01.14	1,366	2,731,478	50.02p	0.40%
I-Class Accumulation Shares				
31.01.11	4,692	2,207,615	212.5p	0.60%
I-Class Income Shares				
31.01.11	1	1,165	85.14p	0.60%

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

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

Portfolio statement

As at 31 January 2014

Investment	Holding	Market value £'000	Total net assets %
Financials - 21.6% (21.2%)			
Banks - 11.5%			
Bank of Georgia	10,989	230	0.3
Barclays	680,076	1,821	2.1
HSBC	790,652	4,895	5.8
Lloyds Banking Group	2,287,518	1,868	2.2
Royal Bank of Scotland Group	22,304	75	0.1
Standard Chartered	66,462	824	1.0
Financial services - 1.3%			
IG Group	56,765	351	0.4
Investec	79,478	309	0.4
Provident Financial	3,143	51	0.1
Schroders	12,266	301	0.4
General financials - 1.2%			
3i Group	88,106	330	0.4
Aberdeen Asset Management	36,144	141	0.2
Close Brothers Group	23,156	305	0.4
London Stock Exchange Group	9,484	174	0.2
Life insurance - 4.2%			
Aviva	81,044	358	0.4
Legal & General Group	316,228	674	0.8
Old Mutual	322,772	547	0.6
Prudential	121,173	1,477	1.7
Resolution	22,514	78	0.1
Standard Life	133,975	485	0.6
Nonlife insurance - 1.4%			
Amlin	77,669	328	0.4
Beazley Group	106,338	271	0.3
Direct Line Insurance	26,396	69	0.1
Hiscox	51,146	324	0.4
Jardine Lloyd Thompson	3,060	33	-
Workspace Group	25,071	136	0.2
Real estate - 2.0%			
Daejan Holdings	3,395	162	0.2
Derwent London	4,212	104	0.1
Foxtons Group	39,374	134	0.2
Great Portland Estates	37,926	230	0.3
Hammerson	28,776	150	0.2
Land Securities Group	56,793	580	0.7
Unite Group	68,034	280	0.3
Oil & gas - 14.1% (16.0%)			
Oil & gas producers - 13.6%			
BG Group	122,913	1,249	1.5
BP	818,009	3,868	4.6
Cairn Energy	49,973	106	0.1
Enquest	222,054	289	0.3
Premier Oil	42,484	114	0.1
Royal Dutch Shell 'B'	251,284	5,635	6.6
Soco International	69,036	282	0.3
Tullow Oil	10,424	82	0.1
Oil equipment, services & distribution - 0.5%			
AMEC	35,985	369	0.4
Petrofac	9,482	110	0.1
Consumer goods - 12.8% (13.4%)			
Automobiles & parts - 0.6%			
GKN	133,322	517	0.6
Beverages - 3.4%			
Britvic	46,012	317	0.4
Diageo	97,369	1,722	2.0
SABMiller	30,827	823	1.0
Food producers - 2.3%			
Associated British Foods	4,473	119	0.1
Cranswick	19,159	249	0.3
Dairy Crest Group	51,787	263	0.3
Greencore Group	117,242	292	0.3
Unilever	47,449	1,095	1.3
Household goods - 2.6%			
Barratt Development	74,406	278	0.3
Bellway	17,538	270	0.3
Berkeley Group	6,617	169	0.2
Bovis Homes Group	6,659	54	0.1
Persimmon	30,412	389	0.5
Reckitt Benckiser Group	21,323	956	1.1
Taylor Wimpey	97,291	108	0.1

Investment	Holding	Market value £'000	Total net assets %
Personal goods - 0.0%			
Burberry Group	1,307	18	-
Tobacco - 3.9%			
British American Tobacco	74,475	2,167	2.6
Imperial Tobacco Group	50,296	1,120	1.3
Consumer services - 11.1% (9.9%)			
Food & drug retails - 2.0%			
Morrison (Wm.) Supermarkets	174,047	414	0.5
Sainsbury (J)	120,661	416	0.5
Tesco	272,475	869	1.0
General retailers - 2.4%			
Home Retail Group	132,779	236	0.3
JD Sports Fashion	16,299	259	0.3
Kingfisher	38,487	140	0.2
Marks & Spencer Group	67,514	314	0.4
Next	10,262	633	0.7
Ted Baker	3,679	79	0.1
WH Smith	30,184	314	0.4
Media - 3.1%			
British Sky Broadcasting Group	70,476	603	0.7
ITV	278,821	547	0.6
Pearson	14,929	164	0.2
Reed Elsevier	76,734	674	0.8
WPP	51,671	643	0.8
Travel & leisure - 3.6%			
Carnival	8,411	208	0.2
Compass Group	47,137	428	0.5
Easyjet	25,443	412	0.5
Go-Ahead Group	15,908	311	0.4
Greene King	37,574	318	0.4
International Consolidated Airline	114,298	466	0.6
Mitchells & Butlers	65,732	293	0.3
Stagecoach Group	38,503	139	0.2
TUI Travel	81,785	341	0.4
Wetherspoon (J.D.)	13,333	106	0.1
Whitbread	955	36	-
Industrials - 9.3% (7.8%)			
Aerospace & defence - 2.6%			
BAE Systems	190,235	810	1.0
Cobham	75,477	217	0.3
Rolls Royce	97,071	1,133	1.3
Construction & materials - 0.9%			
CRH	14,378	224	0.3
Galliford Try	24,982	293	0.3
Keller Group	22,269	264	0.3
Electronics & electrical equipment - 0.2%			
Morgan Advanced Materials	48,613	148	0.2
General industrials - 0.5%			
Rexam	59,902	294	0.3
RPC Group	6,164	37	-
Smith (DS)	46,077	151	0.2
Industrial engineering - 0.6%			
Bodycote	27,158	176	0.2
IMI	24,113	357	0.4
Industrial transportation - 0.5%			
BBA Aviation	42,528	130	0.2
Royal Mail	45,087	266	0.3
Support services - 4.0%			
Ashtead Group	42,223	328	0.4
Atkins (WS)	21,982	298	0.4
Babcock International Group	31,138	429	0.5
Berendsen	32,578	299	0.4
Capita Group	2,794	27	-
Carillion	95,100	324	0.4
DCC	12,248	338	0.4
Experian	18,608	192	0.2
Hays	250,787	335	0.4
Interserve	42,832	265	0.3
Serco Group	31,293	135	0.2
Travis Perkins	13,042	224	0.3
Wolseley	3,396	110	0.1

Portfolio statement – continued

As at 31 January 2014

Investment	Holding	Market value £'000	Total net assets %
Basic materials – 7.6% (10.3%)			
Chemicals – 0.5%			
AZ Electronics Materials	26,326	104	0.1
Elementis	44,306	112	0.1
Johnson Matthey	2,598	84	0.1
Synthomer	54,235	148	0.2
Forestry & paper – 0.3%			
Mondi	31,685	289	0.3
Mining – 6.8%			
Anglo American	41,063	585	0.7
BHP Billiton	100,907	1,804	2.1
Ferrexpo	126,481	189	0.2
Glencore Xstrata	363,606	1,165	1.4
Rio Tinto	58,615	1,885	2.2
Vedanta Resources	24,824	198	0.2
Health care – 7.4% (6.6%)			
Health care equipment & services – 0.3%			
Smith & Nephew	28,744	251	0.3
Pharmaceuticals & biotechnology – 7.1%			
AstraZeneca	58,249	2,234	2.6
GlaxoSmithKline	187,321	2,910	3.4
Shire	31,530	946	1.1
Telecommunications – 7.4% (6.2%)			
Fixed line telecommunications – 1.9%			
BT Group	386,169	1,466	1.7
KCOM Group	165,077	164	0.2
Mobile telecommunications – 5.5%			
Vodafone Group	2,107,091	4,671	5.5
Utilities – 3.3% (3.1%)			
Electricity – 0.9%			
Drax Group	47,133	381	0.5
SSE	24,333	320	0.4
Gas, water & multiutilities – 2.4%			
Centrica	277,041	864	1.0
National Grid	143,617	1,128	1.3
United Utilities Group	6,356	46	0.1
Equity investment instruments – 2.9% (2.4%)			
JPM UK Smaller Companies 'I' (Accumulation) [^] [§]	359,862	2,483	2.9
Technology – 1.0% (1.3%)			
Software & computer services – 0.4%			
Computacenter	13,337	86	0.1
Micro Focus International	35,554	263	0.3
Technology hardware & equipment – 0.6%			
ARM Holdings	32,148	299	0.4
CSR	11,857	78	0.1
Pace	23,506	83	0.1
Futures – 0.0% (0.1%)			
FTSE 100 Index Futures Mar 2014	12	(13)	-
Liquidity funds – 0.8% (1.4%)			
JPM Sterling Liquidity 'X' (Distribution) [^] [§]	701,002	701	0.8
Investment assets (including investment liabilities)		84,216	99.3
Net other assets		610	0.7
Net assets		84,826	100.0

Unless otherwise stated the above securities are admitted to official stock exchange listings or trade on a regulated market.

The comparative percentage figures in brackets are at 31 January 2013.

[^] Deemed to be investment in related parties of the ACD

[§] Approved security as defined in the Collective Investment Schemes sourcebook

Portfolio movements

For the year ending 31 January 2014

	£'000		£'000
Total of all purchases for the year (Note 10)	36,941	Total of all sales for the year (Note 10)	33,356
Major purchases	Cost	Major sales	Proceeds
JPM Sterling Liquidity 'X' (Distribution)^	2,503	JPM Sterling Liquidity 'X' (Distribution)^	2,873
HSBC	931	GlaxoSmithKline	876
Royal Dutch Shell 'B'	876	Royal Dutch Shell 'B'	655
Vodafone Group	742	British American Tobacco	617
Barclays	730	HSBC	612
BP	707	Diageo	600
Lloyds Banking Group	696	BP	575
Centrica	607	Vodafone Group	517
Rolls Royce	605	Smiths Group	505
GlaxoSmithKline	569	Sage Group	496
British American Tobacco	563	Workspace Group	460
Shire	534	Intermediate Capital Group	442
Old Mutual	504	Anglo American	396
Reed Elsevier	481	William Hill	382
GKN	476	Barclays	370
BHP Billiton	447	Associated British Foods	368
Unilever	429	Royal Bank of Scotland Group	367
Glencore Xstrata	427	Aberdeen Asset Management	359
Diageo	395	Debenhams	342
AstraZeneca	384	International Personal Finance	338

^ Deemed to be investment in related parties of the ACD

Financial statements

Statement of total return

For the year ending 31 January

	£'000	2014 £'000	£'000	2013 £'000
Income				
Net capital gains (Note 1)		6,124		7,984
Revenue (Note 2)	2,792		2,440	
Expenses (Note 3)	(317)		(269)	
Performance fee (Note 3)	(46)		-	
Net revenue before taxation	2,429		2,171	
Taxation (Note 4)	(2)		-	
Net revenue after taxation		2,427		2,171
Total return before distributions		8,551		10,155
Finance costs: Distributions (Note 5)		(2,425)		(2,173)
Change in net assets attributable to shareholders from investment activities		6,126		7,982

Statement of change in net assets attributable to shareholders

For the year ending 31 January

	£'000	2014 £'000	£'000	2013 £'000
Opening net assets attributable to shareholders		74,839		63,876
Amounts receivable on issue of shares	14,803		1,242	
Amounts payable on cancellation of shares	(13,448)		(409)	
		1,355		833
Change in net assets attributable to shareholders from investment activities (see above)		6,126		7,982
Retained distributions on accumulation shares		2,508		2,149
Stamp duty reserve tax		(2)		(1)
Closing net assets attributable to shareholders		84,826		74,839

Balance sheet

As at 31 January

	£'000	2014 £'000	£'000	2013 £'000
ASSETS				
Investment assets		84,229		74,626
Debtors (Note 7)	229		182	
Cash and bank balances (Note 8)	507		102	
Total other assets		736		284
Total assets		84,965		74,910
LIABILITIES				
Investment liabilities		(13)		-
Creditors (Note 9)	(84)		(34)	
Distribution payable on income shares	(42)		(37)	
Total other liabilities		(126)		(71)
Total liabilities		(139)		(71)
Net assets attributable to shareholders		84,826		74,839

The notes to these financial statements are shown on pages 302 to 303.

Notes to the financial statements for the year ending 31 January 2014

1. Net capital gains

	2014	2013
	£'000	£'000
Derivative contracts	59	256
Non-derivative securities	6,065	7,728
Net capital gains	<u>6,124</u>	<u>7,984</u>

2. Revenue

	2014	2013
	£'000	£'000
Distributions from authorised ICVCs	26	14
Franked income from UK equity investments	2,590	2,267
Income from Liquidity funds	3	14
Income from overseas equity investments	116	80
Interest on bank and term deposits	-	1
Management fee rebates	13	9
Property income distributions	24	19
Stock dividends	18	27
Underwriting commission	2	9
Total revenue	<u>2,792</u>	<u>2,440</u>

3. Expenses

	2014	2013
	£'000	£'000
Payable to the ACD or associate of the ACD:		
ACD fee	198	168
Fixed expenses	119	101
Performance fee	46	-
Total expenses	<u>363</u>	<u>269</u>

4. Taxation

	2014	2013
	£'000	£'000
a) Analysis of charge in the year		
Overseas tax suffered	2	-
Current year tax charge (Note 4b)	<u>2</u>	<u>-</u>

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	2,429	2,171
Corporation tax at 20%	<u>486</u>	<u>434</u>
Effects of:		
Dividends not subject to corporation tax	(550)	(477)
Excess expenses for which no relief taken	64	43
Overseas tax suffered	2	-
	<u>(484)</u>	<u>(434)</u>
Current year tax charge (Note 4a)	<u>2</u>	<u>-</u>

No deferred tax asset has been recognised in the financial statements. At the year end date, the Fund had a potential unrecognised deferred tax asset of £1,441,743 (31.01.13: £1,377,587) in relation to £7,208,714 (31.01.13: £6,887,934) 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.

5. Finance costs

Distributions

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

	2014	2013
	£'000	£'000
Final dividend distribution	2,550	2,186
Add: Amounts payable on cancellation of shares	238	9
Deduct: Amounts receivable on issue of shares	(363)	(22)
Total finance costs	<u>2,425</u>	<u>2,173</u>

Details of the distribution per share are set out on page 304.

6. Movement between net revenue after taxation and distributions

	2014	2013
	£'000	£'000
Net revenue after taxation	2,427	2,171
Add: Undistributed revenue brought forward	1	3
Deduct: Undistributed revenue carried forward	(3)	(1)
	<u>2,425</u>	<u>2,173</u>

7. Debtors

	2014	2013
	£'000	£'000
Accrued income	162	144
Due from the ACD for shares created	65	-
Overseas tax recoverable	2	4
Sales awaiting settlement	-	34
Total debtors	<u>229</u>	<u>182</u>

8. Cash and bank balances

	2014	2013
	£'000	£'000
Amounts held at futures clearing houses and brokers	47	28
Cash and bank balances	460	74
Total cash and bank balances	<u>507</u>	<u>102</u>

9. Creditors

	2014	2013
	£'000	£'000
Accrued expenses	76	25
Due to the ACD for shares cancelled	8	9
Total creditors	<u>84</u>	<u>34</u>

Notes to the financial statements – continued

10. Portfolio transaction costs

	2014 £'000	2013 £'000
Analysis of total purchase costs		
Purchases in year before transaction costs	36,750	25,241
Commissions	34	29
Taxes	157	100
Total purchase costs	191	129
Gross purchases total	36,941	25,370
Analysis of total sale costs		
Gross sales before transaction costs	33,386	21,786
Commissions	(30)	(21)
Total sale costs	(30)	(21)
Total sales net of transaction costs	33,356	21,765

11. 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 £17,146 (31.01.13: £34,352). Details of related party transactions are given under note 13 on page 413.

Investments considered to be related parties have been identified in the portfolio statement on pages 298 to 299 and the revenue from these investments was £28,780 (31.01.13: £28,218).

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 £15,375 (31.01.13: £40). 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:

- S&P Pensions Ltd 64.45% (31.01.13: 73.92%)
- JP Morgan Life Diversified Equity 17.55% (31.01.13: 0.00%)

12. 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, 1.4% (31.01.13: 1.6%) of the Fund's net assets by value were interest bearing, carrying a (fixed/floating) rate.

For consideration of other risks including liquidity, pricing and credit risk, please refer to the notes to the aggregated financial statements, pages 413 to 414.

13. Share classes

The Fund currently has one share class: Class E Shares. The Authorised Corporate Director's (ACD) fee and fixed expenses charge are shown below.

Class E shares:	ACD fee	Fixed expenses	Performance fee
	0.25%	0.15%	maximum of 10%

The performance fee is calculated as 10% of any outperformance of the Fund against its benchmark, FTSE™ All-Share (Total Return Net), with a cap of 1.5% above benchmark return. If the net asset value per share under-performs the benchmark for one or more accounting periods the ACD will not receive a performance fee until the under-performance has been recovered. Full details on how the performance fee is calculated can be found in the Prospectus.

The net asset value, the net asset value per share and the number of shares are shown on page 297.

14. Derivatives

The Fund enters into derivative transactions in the form of futures for the purpose of efficient portfolio management. The commitment approach has been used to calculate the global exposure.

Further information on the derivative risks can be found in the notes to the aggregated financial statements on page 414.

15. Contingent liabilities and capital commitments

At the balance sheet date there were no contingent liabilities or capital commitments (2013: none).

Distribution table

Final distribution in pence per share

Group 1 – Shares purchased prior to 1 February 2013

Group 2 – Shares purchased 1 February 2013 to 31 January 2014

	Gross revenue	Tax at 10%	Net revenue	Equalisation	Distribution payable 30.04.14	Distribution paid 30.04.13
E-Class Accumulation Shares						
Group 1	8.600000	0.860000	7.740000	-	7.740000	6.730000
Group 2	1.866840	0.186684	1.680156	6.059844	7.740000	6.730000
E-Class Income Shares						
Group 1	1.722222	0.172222	1.550000	-	1.550000	1.380000
Group 2	0.903870	0.090387	0.813483	0.736517	1.550000	1.380000

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.

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.

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.

Fund review

The UK stock market delivered a strong positive return for the year, supported by accommodative monetary policy and the faster-than-expected domestic economic recovery.

The Fund, which has a best ideas approach to investing in attractively valued, high quality stocks with positive momentum, outperformed its benchmark. At the sector level, the biggest contributors to relative returns included stock selection and overweight holdings in household goods & home construction and travel & leisure. Detractors from relative returns included stock selection and an underweight holding in pharmaceuticals & biotechnology, as well as an overweight in industrial metals & mining.

The biggest stock level contributor to relative performance was an overweight position in Ashtead, as the equipment rental company raised its guidance for capital expenditure in fiscal year 2014, reflecting a commitment to growing its US market share. An overweight holding in easyJet also boosted relative returns, as the budget airline delivered strong annualised earnings growth for the 2013 fiscal year. Detractors from relative performance included overweight exposure to London-listed miner Kazakhmys, shares in which underperformed due to weakness in its copper operations and falling commodity prices. An underweight position in GlaxoSmithKline also held back relative returns, as the pharmaceuticals company reported a solid set of third-quarter results, despite facing currency headwinds and weakness in China. However, relative performance benefited from an overweight holding in Greencore, as the food producer announced strong fiscal-year results.

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

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

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

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

Source: J.P. Morgan.

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Fund outlook

The economic backdrop looks set to remain favourable for UK stocks. If the recovery continues to gather momentum, UK companies have the potential to deliver earnings growth this year.

12 month performance as at 31 January

	2014	2013	2012	2011	2010
JPM UK Dynamic A-Class Acc	21.3%	19.4%	-3.9%	23.6%	24.6%
JPM UK Dynamic B-Class Acc	21.8%	20.1%	-3.4%	24.2%	25.2%
JPM UK Dynamic C-Class Acc	22.2%	-	-	-	-
Benchmark Index	10.1%	16.3%	-0.3%	18.1%	33.2%

Fund statistics

Risk and Reward Profile	6*
Fund size	£147.3m
Benchmark Index	FTSE All-Share Index (Net)
Fund charges	
A-Class	Initial 3.00%, Annual 1.50%
B-Class	Initial Nil, Annual 1.00%
C-Class	Initial Nil, Annual 0.75%

Top ten holdings (excluding Liquidity funds) %

BP	6.6
Vodafone Group	5.1
Royal Dutch Shell 'A'	4.8
BT Group	3.9
HSBC	3.6
GlaxoSmithKline	3.1
Rio Tinto	2.9
Lloyds Banking Group	2.9
British American Tobacco	2.7
Shire	2.3

Sector breakdown

	%
Financials	18.0
Consumer services	16.2
Consumer goods	15.3
Oil & gas	12.9
Industrials	10.5
Telecommunications	9.0
Health care	7.5
Basic materials	7.2
Liquidity funds	1.4
Technology	1.0
Net other assets	1.0

Highest/lowest share price and distribution record

Calendar year	Highest share price	Lowest share price	Distribution per share (net)
A-Class Accumulation Shares			
2009	88.64p	57.47p	2.24p
2010	102.7p	80.07p	1.08p
2011	106.5p	86.13p	0.81p
2012	112.2p	91.24p	1.80p
2013	145.8p	113.8p	1.73p
2014 ^a	149.7p	142.6p	0.73p
A-Class Income Shares			
2009	78.51p	51.80p	2.03p
2010	89.86p	70.60p	0.96p
2011	93.04p	74.80p	0.71p
2012	95.64p	78.50p	1.54p
2013	122.7p	97.01p	1.49p
2014 ^a	125.9p	120.0p	0.61p
B-Class Accumulation Shares			
2009	89.93p	58.11p	2.64p
2010	104.8p	81.54p	1.56p
2011	109.0p	88.30p	1.37p
2012	115.7p	93.86p	2.36p
2013	151.2p	117.4p	2.38p
2014 ^a	155.3p	147.9p	1.07p
C-Class Accumulation Shares^b			
2012	112.3p	103.4p	-
2013	147.2p	114.0p	2.37p
2014 ^a	151.2p	144.0p	1.27p
C-Class Income Shares^b			
2012	95.74p	88.20p	-
2013	123.2p	97.13p	2.02p
2014 ^a	126.5p	120.5p	1.06p

^a To 31 January 2014.

^b C-Class Accumulation Shares and C-Class Income Shares were launched on 22 October 2012.

Portfolio turnover rate

31.01.13	235.1%
31.01.14	246.7%

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

Portfolio transaction costs

	Broker Commissions	Transaction Taxes	Total
31.01.13	0.42%	0.13%	0.55%
31.01.14	0.44%	0.33%	0.77%

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

Stamp duty reserve tax

31.01.13	0.02%
31.01.14	0.02%

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

Net asset values and Ongoing charges

Date	Net asset value per share class £'000	Number of shares	Net asset value per share	Ongoing charges
A-Class Accumulation Shares				
31.01.12	103,445	104,819,162	98.69p	1.67%
31.01.13	109,488	93,161,368	117.5p	1.68%
31.01.14	120,238	84,374,828	142.5p	1.68%
A-Class Income Shares				
31.01.12	70,389	82,733,057	85.08p	1.67%
31.01.13	25,076	25,128,957	99.79p	1.68%
31.01.14	25,061	21,010,234	119.3p	1.68%
B-Class Accumulation Shares				
31.01.12	2,885	2,847,093	101.4p	1.14%
31.01.13	2,862	2,359,198	121.3p	1.18%
31.01.14	407	275,317	147.8p	1.18%
C-Class Accumulation Shares				
31.01.13	1	1,000	117.8p	0.93%
31.01.14	1,298	901,883	144.0p	0.93%
C-Class Income Shares				
31.01.13	17	17,110	99.80p	0.93%
31.01.14	306	256,485	119.4p	0.93%

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

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

Portfolio statement

As at 31 January 2014

Investment	Holding	Market value £'000	Total net assets %
Financials - 18.0% (28.1%)			
Banks - 8.6%			
Barclays	1,150,472	3,081	2.1
HSBC	851,027	5,269	3.6
Lloyds Banking Group	5,261,205	4,295	2.9
Financial services - 2.4%			
International Personal Finance	168,426	776	0.5
Jupiter Fund Management	505,967	1,869	1.3
Provident Financial	58,114	943	0.6
Life insurance - 3.8%			
Aviva	591,330	2,612	1.8
Legal & General Group	723,979	1,543	1.0
Prudential	124,677	1,520	1.0
Nonlife insurance - 1.2%			
Henderson Group	779,985	1,722	1.2
Real estate - 2.0%			
Countrywide	323,251	1,838	1.3
Foxtons Group	314,258	1,068	0.7
Consumer services - 16.2% (16.0%)			
Food & drug retails - 1.2%			
Booker Group	1,188,091	1,823	1.2
General retailers - 7.0%			
Darty	785,649	1,027	0.7
Halfords Group	470,813	2,121	1.4
Next	49,811	3,071	2.1
Sports Direct International	120,518	802	0.6
WH Smith	311,633	3,241	2.2
Media - 3.0%			
Daily Mail & General Trust 'A'	168,060	1,586	1.1
ITV	980,620	1,923	1.3
Rightmove	32,461	811	0.6
Travel & leisure - 4.3%			
International Consolidated Airlines	410,354	1,674	1.1
Easyjet	118,919	1,924	1.3
Wetherspoon (J.D.)	131,690	1,050	0.7
Thomas Cook Group	999,009	1,752	1.2
Food producers - 0.7%			
Unilever	45,729	1,055	0.7
Consumer goods - 15.3% (20.9%)			
Automobiles & parts - 1.3%			
GKN	501,957	1,946	1.3
Beverages - 1.7%			
Diageo	140,437	2,484	1.7
Food producers - 1.6%			
Greencore Group	929,066	2,313	1.6
Household goods - 6.7%			
Barratt Development	321,801	1,202	0.8
Berkeley Group	64,549	1,647	1.1
Crest Nicholson	263,639	956	0.6
Persimmon	60,437	772	0.5
Reckitt Benckiser Group	64,976	2,913	2.0
Redrow	432,041	1,379	1.0
Taylor Wimpey	964,542	1,074	0.7
Tobacco - 4.0%			
British American Tobacco	134,922	3,925	2.7
Imperial Tobacco Group	83,390	1,856	1.3
Oil & gas - 12.9% (4.0%)			
Oil & gas producers - 11.4%			
BP	2,068,980	9,782	6.6
Royal Dutch Shell 'A'	330,110	7,005	4.8
Oil equipment, services & distribution - 1.5%			
Kentz	348,058	2,259	1.5

Investment	Holding	Market value £'000	Total net assets %
Industrials - 10.5% (11.6%)			
Aerospace & defence - 1.6%			
BAE Systems	426,692	1,818	1.2
Rolls Royce	48,490	566	0.4
General industrials - 1.8%			
Smith (DS)	816,026	2,682	1.8
Support services - 6.2%			
Ashtead Group	267,164	2,076	1.4
Babcock International Group	234,932	3,240	2.2
DCC	28,463	786	0.5
Interserve	186,199	1,151	0.8
SIG	985,145	1,891	1.3
Transportation - 0.9%			
Royal Mail	214,235	1,266	0.9
Telecommunications - 9.0% (0.8%)			
Fixed line telecommunications - 3.9%			
BT Group	1,502,517	5,704	3.9
Mobile telecommunications - 5.1%			
Vodafone Group	3,409,658	7,559	5.1
Health care - 7.5% (2.2%)			
Pharmaceuticals & biotechnology - 7.5%			
AstraZeneca	81,933	3,142	2.1
GlaxoSmithKline	293,265	4,556	3.1
Shire	113,358	3,402	2.3
Basic materials - 7.2% (11.4%)			
Forestry & paper - 0.5%			
Mondi	99,328	906	0.5
Mining - 6.7%			
Glencore Xstrata	664,280	2,128	1.5
BHP Billiton	155,454	2,779	1.9
Ferrexpo	342,947	514	0.4
Rio Tinto	134,054	4,310	2.9
Technology - 1.0% (1.4%)			
Software & computer services - 1.0%			
Blinkx	254,733	323	0.3
Micro Focus International	148,842	1,099	0.7
Liquidity funds - 1.4% (2.6%)			
JPM Sterling Liquidity 'X' (Distribution) [^] [§]	2,000,000	2,000	1.4
Investment assets		145,807	99.0
Net other assets		1,503	1.0
Net assets		147,310	100.0

Unless otherwise stated the above securities are admitted to official stock exchange listings or trade on a regulated market.

The comparative percentage figures in brackets are at 31 January 2013.

[^] Deemed to be investment in related parties of the ACD

[§] Approved security as defined in the Collective Investment Schemes sourcebook

Portfolio movements

For the year ending 31 January 2014

	£'000		£'000
Total of all purchases for the year (Note 10)	240,898	Total of all sales for the year (Note 10)	255,957
Major purchases	Cost	Major sales	Proceeds
JPM Sterling Liquidity 'X' (Distribution)^	57,861	JPM Sterling Liquidity 'X' (Distribution)^	59,441
Royal Dutch Shell 'A'	10,111	Barclays	9,695
BP	8,905	Easyjet	8,151
Vodafone Group	8,143	Ashtead Group	7,572
BT Group	7,453	Lloyds Banking Group	6,969
HSBC	6,922	Rio Tinto	6,677
GlaxoSmithKline	5,673	Diageo	6,134
Barclays	4,907	Prudential	6,028
International Consolidated Airlines	4,697	Royal Dutch Shell 'A'	5,617
Diageo	4,680	Taylor Wimpey	4,565
Thomas Cook Group	4,611	Thomas Cook Group	4,463
Rio Tinto	4,414	Barratt Development	4,228
Reckitt Benckiser Group	3,939	Persimmon	4,197
BG Group	3,578	ITV	3,897
Countrywide	3,553	Berkeley Group	3,707
Mondi	3,179	Ferrexpo	3,497
Standard Life	3,030	BG Group	3,477
Lloyds Banking Group	3,014	Lancashire	3,355
BHP Billiton	2,963	International Consolidated Airlines	3,272
AstraZeneca	2,936	Countrywide	3,152

^ Deemed to be investment in related parties of the ACD

Financial statements

Statement of total return

For the year ending 31 January

	2014	2013
£'000	£'000	£'000
Income		
Net capital gains (Note 1)	25,171	21,760
Revenue (Note 2)	4,614	3,985
Expenses (Note 3)	(2,409)	(2,177)
Net revenue before taxation	2,205	1,808
Taxation (Note 4)	(41)	(22)
Net revenue after taxation	2,164	1,786
Total return before distributions	27,335	23,546
Finance costs: Distributions (Note 5)	(2,164)	(1,790)
Change in net assets attributable to shareholders from investment activities	25,171	21,756

Statement of change in net assets attributable to shareholders

For the year ending 31 January

	2014	2013
£'000	£'000	£'000
Opening net assets attributable to shareholders	137,444	176,719
Amounts receivable on issue of shares	3,878	3,612
Amounts payable on cancellation of shares	(20,924)	(66,006)
	(17,046)	(62,394)
Change in net assets attributable to shareholders from investment activities (see above)	25,171	21,756
Retained distributions on accumulation shares	1,764	1,385
Stamp duty reserve tax	(24)	(22)
Unclaimed distributions	1	-
Closing net assets attributable to shareholders	147,310	137,444

Balance sheet

As at 31 January

	2014	2013
£'000	£'000	£'000
ASSETS		
Investment assets	145,807	136,067
Debtors (Note 7)	1,347	2,044
Cash and bank balances (Note 8)	601	733
Total other assets	1,948	2,777
Total assets	147,755	138,844
LIABILITIES		
Investment liabilities	-	(15)
Creditors (Note 9)	(314)	(1,280)
Distribution payable on income shares	(131)	(105)
Total other liabilities	(445)	(1,385)
Total liabilities	(445)	(1,400)
Net assets attributable to shareholders	147,310	137,444

The notes to these financial statements are shown on pages 310 to 311.

Notes to the financial statements for the year ending 31 January 2014

1. Net capital gains

	2014	2013
	£'000	£'000
Currency gains/(losses)	2	(2)
Derivative contracts	226	332
Forward currency contracts	-	(1)
Non-derivative securities	24,943	21,431
Net capital gains	25,171	21,760

2. Revenue

	2014	2013
	£'000	£'000
Franked income from UK equity investments	3,734	3,540
Income from Liquidity funds	15	22
Income from overseas equity investments	813	380
Stock dividends	6	43
Underwriting commission	46	-
Total revenue	4,614	3,985

3. Expenses

	2014	2013
	£'000	£'000
Payable to the ACD or associate of the ACD:		
ACD fee	2,149	1,943
Fixed expenses	260	234
Total expenses	2,409	2,177

4. Taxation

	2014	2013
	£'000	£'000
a) Analysis of charge in the year		
Overseas tax suffered	41	22
Current year tax charge (Note 4b)	41	22

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	2,205	1,808
Corporation tax at 20%	441	362

Effects of:

Dividends not subject to corporation tax	(910)	(793)
Excess expenses for which no relief taken	469	431
Overseas tax suffered	41	22
	(400)	(340)
Current year tax charge (Note 4a)	41	22

No deferred tax asset has been recognised in the financial statements. At the year end date, the Fund had a potential unrecognised deferred tax asset of £8,834,209 (31.01.13: £8,364,837) in relation to £44,171,046 (31.01.13: £41,824,183) 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.

5. Finance costs

Distributions

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

	2014	2013
	£'000	£'000
Interim dividend distribution	1,363	1,105
Final dividend distribution	761	581
Add: Amounts payable on cancellation of shares	65	117
Deduct: Amounts receivable on issue of shares	(25)	(13)
Total finance costs	2,164	1,790

Details of the distribution per share are set out on page 312.

6. Movement between net revenue after taxation and distributions

	2014	2013
	£'000	£'000
Net revenue after taxation	2,164	1,786
Add: Undistributed revenue brought forward	5	9
Deduct: Undistributed revenue carried forward	(5)	(5)
	2,164	1,790

7. Debtors

	2014	2013
	£'000	£'000
Accrued income	333	124
Due from the ACD for shares created	49	33
Overseas tax recoverable	20	18
Sales awaiting settlement	945	1,869
Total debtors	1,347	2,044

8. Cash and bank balances

	2014	2013
	£'000	£'000
Amounts held at futures clearing houses and brokers	-	165
Cash and bank balances	601	568
Total cash and bank balances	601	733

9. Creditors

	2014	2013
	£'000	£'000
Accrued expenses	217	193
Due to the ACD for shares cancelled	97	144
Purchases awaiting settlement	-	943
Total creditors	314	1,280

Notes to the financial statement – continued

10. Portfolio transaction costs

	2014 £'000	2013 £'000
Analysis of total purchase costs		
Purchases in year before transaction costs	239,928	256,288
Commissions	170	149
Taxes	800	750
Total purchase costs	970	899
Gross purchases total	240,898	257,187
Analysis of total sale costs		
Gross sales before transaction costs	256,151	315,925
Commissions	(193)	(203)
Taxes	(1)	-
Total sale costs	(194)	(203)
Total sales net of transaction costs	255,957	315,722

11. 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 £266,164 (31.01.13: £303,421). Details of related party transactions are given under note 13 on page 413.

Investments considered to be related parties have been identified in the portfolio statement on page 307 and the revenue from these investments was £14,887 (31.01.13: £22,301).

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 £35,138 (31.01.13: £7,630). 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 Limited Acc 22107 31.75% (31.01.13: 31.36%)
- JP Morgan Elect Plc 14.29% (31.01.13: 11.91%)

12. 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.

Currency	Net foreign currency assets		
	Total £'000	Monetary exposures £'000	Non-monetary exposures £'000
31.01.14			
Euro	29	29	-
31.01.13			
Euro	4,702	43	4,659

Interest rate risk

At the year end date, 1.8% (31.01.13: 3.1%) of the Fund's net assets by value were interest bearing, carrying a (fixed/floating) rate.

For consideration of other risks including liquidity, pricing and credit risk, please refer to the notes to the aggregated financial statements, pages 413 to 414.

13. 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 fixed expenses charge are shown below.

	ACD fee	Fixed expenses
Class A shares:	1.50%	0.18%
Class B shares:	1.00%	0.18%
Class C shares:	0.75%	0.18%

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 306. All classes have the same rights on winding up.

14. Contingent liabilities and capital commitments

At the balance sheet date there were no contingent liabilities or capital commitments (2013: none).

Distribution tables

Final distribution in pence per share

Group 1 – Shares purchased prior to 1 August 2013

Group 2 – Shares purchased 1 August 2013 to 31 January 2014

	Gross revenue	Tax at 10%	Net revenue	Equalisation	Distribution payable 30.04.14	Distribution paid 30.04.13
A-Class Accumulation Shares						
Group 1	0.811111	0.081111	0.730000	-	0.730000	0.490000
Group 2	0.190169	0.019017	0.171152	0.558848	0.730000	0.490000
A-Class Income Shares						
Group 1	0.677778	0.067778	0.610000	-	0.610000	0.420000
Group 2	0.107664	0.010766	0.096898	0.513102	0.610000	0.420000
B-Class Accumulation Shares						
Group 1	1.188889	0.118889	1.070000	-	1.070000	0.790000
Group 2	0.332286	0.033229	0.299057	0.770943	1.070000	0.790000
C-Class Accumulation Shares						
Group 1	1.411111	0.141111	1.270000	-	1.270000	0.680000
Group 2	0.224123	0.022412	0.201711	1.068289	1.270000	0.680000
C-Class Income Shares						
Group 1	1.177778	0.117778	1.060000	-	1.060000	0.580000
Group 2	0.858104	0.085810	0.772294	0.287706	1.060000	0.580000

Interim distribution in pence per share

Group 1 – Shares purchased prior to 1 February 2013

Group 2 – Shares purchased 1 February 2013 to 31 July 2013

	Gross revenue	Tax at 10%	Net revenue	Equalisation	Distribution paid 31.10.13	Distribution paid 31.10.12
A-Class Accumulation Shares						
Group 1	1.377778	0.137778	1.240000	-	1.240000	0.890000
Group 2	0.179574	0.017957	0.161617	1.078383	1.240000	0.890000
A-Class Income Shares						
Group 1	1.188889	0.118889	1.070000	-	1.070000	0.750000
Group 2	0.374899	0.037490	0.337409	0.732591	1.070000	0.750000
B-Class Accumulation Shares						
Group 1	1.766667	0.176667	1.590000	-	1.590000	1.170000
Group 2	1.185378	0.118538	1.066840	0.523160	1.590000	1.170000
C-Class Accumulation Shares						
Group 1	1.877778	0.187778	1.690000	-	1.690000	-
Group 2	0.090722	0.009072	0.081650	1.608350	1.690000	-
C-Class Income Shares						
Group 1	1.600000	0.160000	1.440000	-	1.440000	-
Group 2	0.321700	0.032170	0.289530	1.150470	1.440000	-

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.

JPM UK Equity & Bond Income Fund

Investment objective and policy

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 currently invests 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 include Sterling denominated Bonds and other Debt Securities of non-UK issuers.

The Fund may invest up to 100% in government and public securities (see section 3.11 (e) of the Prospectus).

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.

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 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.

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 will have significant exposure to the UK and may therefore 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.

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 UK stock market delivered a strong positive return for the year, supported by accommodative monetary policy and the faster-than-expected domestic economic recovery. An improving outlook for UK company earnings was positive for both stocks and corporate bonds.

The Fund, which invests in a balanced portfolio of UK equities and bonds, outperformed its benchmark.

In the equity portfolio, the biggest contributor to relative returns was stock selection in the support services sector, while stock selection and an underweight position in food & drug retailers detracted. At the stock level, an overweight holding in EasyJet added the most to relative performance, as the budget airline delivered strong annualised earnings growth for the 2013 fiscal year. The biggest detractor from relative performance was overweight exposure to Rio Tinto, which suffered in the period due to emerging market volatility and concerns about industry oversupply.

The bond portfolio produced a positive return. We remained short duration relative to the benchmark for most of the year. A long corporate credit position versus an underweight in mortgage-backed and agency credit in the second half of the period added to performance. On a sector basis, we moved overweight financials, transportation and communications.

Fund outlook

We expect company earnings to strengthen and balance sheets to remain healthy, which should be favourable for stocks and corporate bonds.

12 month performance as at 31 January

	2014	2013	2012	2011	2010
JPM UK Equity & Bond Income					
A-Class Acc	12.1%	14.6%	0.2%	14.8%	22.9%
JPM UK Equity & Bond Income					
B-Class Acc	12.6%	-	-	-	-
JPM UK Equity & Bond Income					
C-Class Acc	12.8%	-	-	-	-
Benchmark Index	7.5%	13.3%	3.2%	14.2%	25.0%

Fund statistics

Risk and Reward Profile	5*
Fund size	£167.1m
Benchmark Index	70% FTSE All-Share Index (Net)/ 30% BofA Merrill Lynch Euro-Sterling AA1-AAA Rated Index
Fund charges	
A-Class	Initial 3.00%, Annual 1.50%
B-Class	Initial Nil, Annual 1.00%
C-Class	Initial Nil, Annual 0.75%

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

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

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

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

Blended benchmarks have been calculated by JPMAM.

Source: J.P. Morgan.

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Top ten holdings (excluding Liquidity funds) %

Royal Dutch Shell 'B'	4.8
Vodafone Group	4.6
HSBC	4.6
BP	4.4
AstraZeneca	2.7
GlaxoSmithKline	2.6
Rio Tinto	2.5
BT Group	2.5
Lloyds Banking Group	1.9
BAE Systems	1.8

Sector breakdown %

Financials	19.6
Corporate bonds	18.8
Oil & gas	10.8
Consumer services	8.2
Industrials	7.7
Consumer goods	7.4
Telecommunications	7.2
Health care	5.8
Basic materials	5.8
Government bonds	3.6
Liquidity funds	2.2
Utilities	1.6
Technology	0.9
Futures	0.0
Net other assets	0.4

Highest/lowest share price and distribution record

Calendar year	Highest share price	Lowest share price	Distribution per share (net)
A-Class Accumulation Shares			
2009	90.63p	65.29p	3.37p
2010	102.3p	85.92p	3.24p
2011	106.0p	91.16p	3.65p
2012	111.8p	97.92p	4.02p
2013	131.7p	112.6p	4.29p
2014 ^A	134.4p	130.2p	0.79p
A-Class Income Shares			
2009	65.27p	48.65p	2.49p
2010	71.03p	60.64p	2.30p
2011	72.45p	61.69p	2.50p
2012	72.08p	64.35p	2.66p
2013	82.26p	72.55p	2.72p
2014 ^A	83.66p	80.41p	0.50p
B-Class Accumulation Shares^B			
2013	132.3p	113.6p	4.33p
2014 ^A	135.0p	130.8p	0.84p
B-Class Income Shares^C			
2012	72.14p	69.13p	0.74p
2013	82.61p	72.61p	2.80p
2014 ^A	84.08p	81.47p	0.53p
C-Class Accumulation Shares^D			
2012	105.1p	98.84p	1.10p
2013	124.7p	105.8p	4.11p
2014 ^A	127.3p	123.3p	0.72p
C-Class Income Shares^D			
2012	104.0p	98.84p	1.10p
2013	119.5p	104.7p	3.96p
2014 ^A	121.7p	117.9p	0.69p

^A To 31 January 2014.

^B B-Class Accumulation Shares were launched on 8 January 2013.

^C B-Class Income Shares were launched on 29 October 2012.

^D C-Class Accumulation Shares and C-Class Income Shares were launched on 20 August 2012.

Portfolio turnover rate

31.01.13	55.9%
31.01.14	63.6%

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

Portfolio transaction costs

	Broker Commissions	Transaction Taxes	Total
31.01.13	0.13%	0.12%	0.25%
31.01.14	0.13%	0.14%	0.27%

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

Stamp duty reserve tax

31.01.13	0.01%
31.01.14	0.01%

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

Net asset values and Ongoing charges

Date	Net asset value per share class £'000	Number of shares	Net asset value per share	Ongoing charges
A-Class Accumulation Shares				
31.01.12	96,319	95,278,700	101.1p	1.67%
31.01.13	100,183	86,459,544	115.9p	1.68%
31.01.14	101,974	78,476,187	129.9p	1.68%
A-Class Income Shares				
31.01.12	62,963	93,722,072	67.18p	1.67%
31.01.13	63,077	85,049,385	74.17p	1.68%
31.01.14	62,680	77,951,921	80.41p	1.68%
B-Class Accumulation Shares				
31.01.13	14	12,183	115.9p	1.18%
31.01.14	33	25,636	130.5p	1.18%
B-Class Income Shares				
31.01.13	3	4,000	74.26p	1.18%
31.01.14	16	19,594	80.79p	1.18%
C-Class Accumulation Shares				
31.01.13	23	21,192	109.0p	0.93%
31.01.14	1,429	1,160,632	123.1p	0.93%
C-Class Income Shares				
31.01.13	1	1,000	107.1p	0.93%
31.01.14	935	798,907	117.1p	0.93%

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

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

Portfolio statement

As at 31 January 2014

Investment	Holding	Market value £'000	Total net assets %	Investment	Holding	Market value £'000	Total net assets %
UK equities - 75.0% (74.5%)				Financials - 19.6% (17.7%)			
Financials - 8.8%				Banks - 8.8%			
Bank of Georgia	48,488	1,014	0.6	Barclays	865,664	2,318	1.4
HSBC	1,239,309	7,673	4.6	Lloyds Banking Group	3,854,161	3,147	1.9
Standard Chartered	48,332	599	0.3	Equity investment instruments - 1.5%			
Brookwell†	2,858	1	-	JPMorgan Income & Growth Investment Trust (Income)*	2,655,927	2,470	1.5
Mckay Securities (Placing 2014)	11,234	21	-	General financial - 1.2%			
Arrow Global Group	40,300	100	0.1	IG Group	175,406	1,086	0.7
Intermediate Capital Group	94,583	389	0.2	Plus500	27,501	78	-
Provident Financial	20,143	327	0.2	Life insurance - 3.8%			
Legal & General Group	886,094	1,889	1.1	Old Mutual	138,415	235	0.2
Prudential	193,374	2,357	1.4	St James's Place	34,517	261	0.2
Standard Life	431,478	1,561	0.9	Nonlife insurance - 2.6%			
Admiral Group	29,004	412	0.3	Amlin	46,479	196	0.1
Aviva	69,827	308	0.2	Beazley Group	483,605	1,230	0.7
Hiscox	247,299	1,568	0.9	Novae Group	25,090	142	0.1
Resolution	133,583	464	0.3	Real estate - 1.7%			
British Land	71,301	467	0.3	CLS	9,514	119	0.1
Development Securities	39,800	96	0.1	Foxtons Group	203,938	693	0.4
Land Securities Group	84,687	865	0.5	LSL Property Services	27,300	118	0.1
Quintain Estates & Development	231,501	229	0.1	St Modwen Properties	9,800	38	-
Unite Group	60,371	248	0.1	Oil & gas - 10.8% (10.8%)			
Oil & gas producers - 10.3%				Oil & gas producers - 10.3%			
Amerisur Resources	83,500	43	-	BG Group	15,259	155	0.1
Bowleven	38,000	14	-	BP	1,538,961	7,276	4.4
Caracal Energy	44,905	198	0.1	Eland Oil & Gas	10,152	10	-
Enquest	272,329	354	0.2	Exillon Energy	40,079	56	-
Heritage Oil	69,610	131	0.1	Ithaca Energy	23,800	32	-
Petroceltic International	4,689	8	-	Providence Resources	5,040	12	-
Royal Dutch Shell 'B'	354,026	7,939	4.8	Soco International	222,834	911	0.6
Trinity Exploration & Production	18,100	27	-	Xcite Energy	29,550	29	-
Oil equipment, services & distribution - 0.5%				Oil equipment, services & distribution - 0.5%			
Amec	55,996	573	0.3	Cape	39,100	103	0.1
Lamprell	47,600	68	0.1	Porvair	18,390	52	-
Consumer services - 8.2% (8.4%)				Consumer services - 8.2% (8.4%)			
Food & drug retailers - 1.3%				Food & drug retailers - 1.3%			
Clinigen	7,772	46	-	Morrison (Wm.) Supermarkets	326,857	778	0.5
Sainsbury (J)	398,044	1,371	0.8	General retailers - 3.1%			
Darty	138,500	181	0.1	Findel	26,954	79	-
Halfords Group	85,165	384	0.2	JD Sports Fashion	1,851	29	-
Lookers	120,849	152	0.1	Moss Bros Group	25,770	24	-
Media - 1.5%				Media - 1.5%			
4Imprint Group	17,660	124	0.1	Chime Communications	34,000	116	0.1
ITV	833,514	1,635	1.0	Johnston Press	230,000	53	-
Mecom Group	35,000	40	-	Reed Elsevier	17,474	153	0.1
STV Group	23,700	76	0.1	Tarsus Group	31,607	68	-
Trinity Mirror	128,990	229	0.1	Utv Media	17,500	46	-
Travel & leisure - 2.3%				Travel & leisure - 2.3%			
888	7,433	10	-	Action Hotels	36,334	21	-
Dart Group	11,200	29	-	Easyjet	96,163	1,556	0.9
Fuller Smith & Turner 'A'	5,900	57	-	Go-Ahead Group	34,054	665	0.5
Greene King	57,798	489	0.3	Punch Taverns	292,324	40	-
Snoozebox	117,783	8	-	Spirit Pub	69,200	58	-
Thomas Cook Group	88,200	155	0.1	TUI Travel	197,906	825	0.5
Industrials - 7.7% (6.0%)				Industrials - 7.7% (6.0%)			
Aerospace & defence - 2.2%				Aerospace & defence - 2.2%			
Avon Rubber	22,607	146	0.1	BAE Systems	688,514	2,933	1.8
Chemring Group	36,825	88	-	Rolls-Royce	38,809	453	0.3
Senior	8,200	24	-	Construction & materials - 0.4%			
Costain Group	18,000	52	-	Galliford Try	44,906	526	0.3
Norcross	254,362	55	0.1	Electronics & electrical equipment - 0.2%			
Dialight	9,200	70	-	E2V Technologies	65,400	101	0.1
Hellermannntyton Group	32,000	94	0.1	Xaar	6,700	74	-
Industrial engineering - 0.2%				Industrial engineering - 0.2%			
Hill & Smith	25,400	138	0.1	Renold	121,937	66	0.1
Fisher (James) & Sons	2,300	32	-	Wincanton	41,228	58	-
Industrial transportation - 0.0%				Industrial transportation - 0.0%			
UK Mail Group	10,771	72	-	Support services - 4.7%			
Atkins (WS)	114,535	1,551	0.9	Berendsen	95,344	875	0.5
Brammer	51,820	238	0.1	Carillion	485,429	1,652	1.0
Communis	134,800	89	0.1	DCC	18,066	499	0.3
Hargreaves Services	6,040	52	-	Harvey Nash Group	41,840	44	-
Howden Joinery Group	7,500	25	-	Hyder Consulting	30,600	197	0.1
Interserve	227,886	1,408	0.9	Lavendon Group	63,598	124	0.1
Regeneris	10,126	29	-	Ricardo	18,500	124	0.1
Robert Walters	24,762	83	0.1	Smith News	58,334	122	0.1
Speedy Hire	218,000	141	0.1	St Ives	72,300	135	0.1
Staffline Group	11,700	65	-	Tribal Group	105,275	186	0.1
Utilitywise	40,200	111	0.1	WYG	25,200	25	-
Consumer goods - 7.4% (8.9%)				Consumer goods - 7.4% (8.9%)			
Beverages - 1.3%				Beverages - 1.3%			
Britvic	84,544	583	0.3	Diageo	93,851	1,660	1.0

Portfolio statement – continued

As at 31 January 2014

Investment	Holding	Market value £'000	Total net assets %
Food producers – 1.8%			
Anglo-Eastern Plantations	4,476	30	-
Asian Plantations	11,631	26	-
Cranswick	53,986	701	0.4
Dairy Crest Group	138,034	701	0.4
Greencore Group	211,112	526	0.3
Hilton Food Group	22,000	102	0.1
Premier Foods	71,900	99	0.1
Unilever	36,377	840	0.5
General retailers – 0.0%			
Homebuy Group 'A'	27,954	-	-
Household goods – 1.8%			
Barratt Developments	96,089	359	0.2
Bellway	71,955	1,110	0.7
Berkeley Group	7,584	193	0.1
Crest Nicholson	7,080	26	-
Persimmon	25,118	321	0.2
Taylor Wimpey	904,487	1,007	0.6
Technology hardware & equipment – 0.4%			
GKN	171,337	664	0.4
Tobacco – 2.1%			
British American Tobacco	65,435	1,904	1.1
Imperial Tobacco Group	74,924	1,668	1.0
Telecommunications – 7.2% (5.7%)			
Fixed line telecommunications – 2.6%			
BT Group	1,073,492	4,075	2.5
KCOM Group	216,864	216	0.1
Mobile telecommunications – 4.6%			
Vodafone Group	3,478,773	7,712	4.6
Health care – 5.8% (5.5%)			
Pharmaceuticals & biotechnology – 5.8%			
AstraZeneca	118,566	4,547	2.7
GlaxoSmithKline	280,281	4,354	2.6
Shire	20,605	618	0.4
Vectura Group	117,500	189	0.1
Basic materials – 5.8% (8.8%)			
Chemicals – 0.3%			
Carlo	27,133	44	-
Synthomer	174,573	477	0.3
Treatt	3,700	26	-
Forestry & paper – 0.1%			
Mondi	26,935	246	0.1
Mining – 5.0%			
BHP Billiton	146,063	2,611	1.6
Ferrexpo	283,337	424	0.3
Glencore Xstrata	324,110	1,038	0.6
Rio Tinto	130,818	4,206	2.5
Software & computer services – 0.4%			
Accesso Technology	4,100	27	-
Anite	38,000	35	-
Blinkx	9,500	12	-
Fusionex International	13,859	103	0.1
Innovation Group	412,000	137	0.1
Iomart Group	31,551	88	0.1
NCC Group	77,000	156	0.1
Optimal Payments (Placing 2014)	4,876	19	-
Wandisco	2,600	31	-
Utilities – 1.6% (1.2%)			
Electricity – 0.4%			
Drax Group	80,205	648	0.4
OPG Power Venture	38,985	28	-
Gas, water & multiutilities – 1.2%			
Centrica	241,913	754	0.5
National Grid	138,077	1,085	0.7
Technology – 0.9% (1.5%)			
Software & computer services – 0.8%			
Advanced Computer Software	47,500	53	-
Computacenter	34,853	225	0.1
Globo	34,000	19	-
Micro Focus International	149,164	1,102	0.7
Technology hardware & equipment – 0.1%			
IQE	79,400	18	-
Sapura	39,803	52	0.1
Telit Communications	27,920	50	-

Investment	Holding	Market value £'000	Total net assets %
Fixed Interest – 22.4% (24.1%)			
Corporate bonds – 18.8% (19.7%)			
Non-convertible – 18.8%			
Anglian Water 4.5% 2027		£500,000	517
Bank Nederlandse Gemeenten 5.375% 2021		£889,000	1,038
Bank of America 6.125% 2021		£350,000	412
Bank of Scotland 9.375% 2021		£1,750,000	2,240
Citigroup 5.125% 2018		£2,000,000	2,169
EDF 5.875% 2031		£1,000,000	1,148
General Electric Capital 6.25% 2020		£1,691,000	2,015
General Electric Capital 6.75% 2020		£1,000,000	1,186
GlaxoSmithKline Capital 5.25% 2033		£1,500,000	1,724
Goldman Sachs Group 5.25% 2015		£350,000	373
KfW International Finance 3.25% 2014		£1,000,000	1,001
Lloyds Banking Group 7.5% 2024		£1,000,000	1,299
National Westminster Bank 6.5% 2021		£1,200,000	1,319
Orange 5.625% 2034		£750,000	829
Orange 8% 2017		£800,000	964
Procter & Gamble 6.25% 2030		£1,397,000	1,791
Prudential 6.875% 2023		£1,400,000	1,755
Reseau Ferre de France 5.25% 2028		£2,145,000	2,465
SLM Student Loan Trust 5.15% 2015		£1,539,000	1,470
Thames Water Utilities Finance 6.75% 2028		£500,000	632
UBS 6.625% 2018		£350,000	412
United Parcel Service 5.5% 2031		£2,000,000	2,391
Vodafone Group 5.375% 2017		£1,200,000	1,343
Wal-Mart Stores 5.75% 2030		£817,000	997
Government bonds – 3.6% (4.4%)			
International authority – 3.6%			
European Investment Bank 5.5% 2025		£1,000,000	1,207
European Investment Bank 5.625% 2032		£560,000	700
European Investment Bank 6.25% 2014		£1,000,000	1,011
International Bank for Reconstruction & Development 5.75% 2032		£400,000	526
International Finance 5.375% 2028		£2,043,000	2,501
Futures – 0.0% (0.0%)			
FTSE 100 Index Futures Mar 2014	7	(18)	-
Liquidity funds – 2.2% (0.6%)			
JPM Sterling Liquidity 'X' (Distribution)^\$	3,751,117	3,751	2.2
Investment assets (including investment liabilities)		166,444	99.6
Net other assets		623	0.4
Net assets		167,067	100.0

Unless otherwise stated the above securities are admitted to official stock exchange listings or trade on a regulated market.

The comparative percentage figures in brackets are at 31 January 2013.

† Suspended security

^ Deemed to be investment in related parties of the ACD

\$ Approved security as defined in the Collective Investment Schemes sourcebook

	Market value £'000
Portfolio credit ratings	
AAA	6,946
AA+	5,709
AA	3,462
AA-	1,791
A+	5,263
A	412
A-	3,277
A2	3,054
BBB	2,240
BBB+	3,962
BBB-	1,319
Total bonds	
	37,435
Equities	125,276
Liquidity funds	3,751
Futures	(18)
Investment assets (including investment liabilities)	
	166,444

Portfolio movements

For the year ending 31 January 2014

	£'000		£'000
Total of all purchases for the year (Note 10)	55,036	Total of all sales for the year (Note 10)	65,951
Major purchases	Cost	Major sales	Proceeds
JPM Sterling Liquidity 'X' (Distribution)^	9,112	JPM Sterling Liquidity 'X' (Distribution)^	6,320
Standard Life	2,168	Mondi	2,640
Schroders	1,944	Schroders	2,339
Sainsbury (J)	1,727	Unilever	2,171
Hiscox	1,585	Easyjet	1,930
Carillion	1,411	Lancashire	1,665
Bank of Georgia	1,306	Wal-Mart Stores 5.25% 2035	1,286
Atkins (WS)	1,297	QinetiQ Group	1,284
Reckitt Benckiser Group	1,288	GlaxoSmithKline	1,268
Morrison (Wm.) Supermarkets	1,216	Reckitt Benckiser Group	1,238
Unite Group	1,157	ITV	1,193
Intermediate Capital Group	1,052	Taylor Wimpey	1,183
IG Group	1,019	International Personal Finance	1,175
Lloyds Banking Group	961	Unite Group	1,167
Centrica	852	Provident Financial	1,101
Unilever	816	Tesco	1,020
Land Securities Group	789	Persimmon	990
Dairy Crest Group	787	Barclays Rights 2013	962
Soco International	762	William Hill Rights 2013	942
Glencore Xstrata	740	WPP	871

^ Deemed to be investment in related parties of the ACD

Financial statements

Statement of total return

For the year ending 31 January

	2014	2013
£'000	£'000	£'000
Income		
Net capital gains (Note 1)	15,704	17,667
Revenue (Note 2)	6,382	6,620
Expenses (Note 3)	(2,822)	(2,652)
Net revenue before taxation	3,560	3,968
Taxation (Note 4)	(1)	-
Net revenue after taxation	3,559	3,968
Total return before distributions	19,263	21,635
Finance costs: Distributions (Note 5)	(5,797)	(6,019)
Change in net assets attributable to shareholders from investment activities	13,466	15,616

Statement of change in net assets attributable to shareholders

For the year ending 31 January

	2014	2013
£'000	£'000	£'000
Opening net assets attributable to shareholders	163,301	159,282
Amounts receivable on issue of shares	3,255	560
Amounts payable on cancellation of shares	(16,472)	(15,756)
	(13,217)	(15,196)
Change in net assets attributable to shareholders from investment activities (see above)	13,466	15,616
Retained distributions on accumulation shares	3,528	3,602
Stamp duty reserve tax	(17)	(9)
Unclaimed distributions	6	6
Closing net assets attributable to shareholders	167,067	163,301

Balance sheet

As at 31 January

	2014	2013
£'000	£'000	£'000
ASSETS		
Investment assets	166,462	162,003
Debtors (Note 7)	1,056	5,753
Cash and bank balances (Note 8)	577	863
Total other assets	1,633	6,616
Total assets	168,095	168,619
LIABILITIES		
Investment liabilities	(18)	-
Creditors (Note 9)	(614)	(4,876)
Distribution payable on income shares	(396)	(442)
Total other liabilities	(1,010)	(5,318)
Total liabilities	(1,028)	(5,318)
Net assets attributable to shareholders	167,067	163,301

The notes to these financial statements are shown on pages 320 to 321.

Notes to the financial statements for the year ending 31 January 2014

1. Net capital gains

	2014	2013
	£'000	£'000
Derivative contracts	50	-
Non-derivative securities	15,654	17,667
Net capital gains	<u>15,704</u>	<u>17,667</u>

2. Revenue

	2014	2013
	£'000	£'000
Franked income from UK equity investments	4,332	4,445
Income from Liquidity funds	12	15
Income from overseas equity investments	356	272
Interest on bank and term deposits	1	1
Interest on fixed-interest securities	1,653	1,844
Property income distributions	6	6
Stock dividends	6	23
Underwriting commission	16	14
Total revenue	<u>6,382</u>	<u>6,620</u>

3. Expenses

	2014	2013
	£'000	£'000
Payable to the ACD or associate of the ACD:		
ACD fee	2,519	2,368
Fixed expenses	303	284
Total expenses	<u>2,822</u>	<u>2,652</u>

4. Taxation

	2014	2013
	£'000	£'000
a) Analysis of charge in the year		
Overseas tax provision	-	5
Overseas tax suffered	1	(5)
Current year tax charge (Note 4b)	<u>1</u>	<u>-</u>

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	3,560	3,968
Corporation tax at 20%	<u>712</u>	<u>794</u>

Effects of:		
Dividends not subject to corporation tax	(938)	(948)
Excess expenses for which no relief taken	226	154
Overseas tax provision	-	5
Overseas tax suffered	1	(5)
	<u>(711)</u>	<u>(794)</u>
Current year tax charge (Note 4a)	<u>1</u>	<u>-</u>

No deferred tax asset has been recognised in the financial statements. At the year end date, the Fund had a potential unrecognised deferred tax asset of £689,407 (31.01.13: £462,949) in relation to £3,447,035 (31.01.13: £2,314,743) 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.

5. Finance costs

Distributions

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

	2014	2013
	£'000	£'000
First interim dividend distribution	1,864	1,755
Second interim dividend distribution	1,339	1,387
Third interim dividend distribution	1,499	1,646
Final dividend distribution	1,024	1,143
Add: Amounts payable on cancellation of shares	75	91
Deduct: Amounts receivable on issue of shares	(4)	(3)
Total finance costs	<u>5,797</u>	<u>6,019</u>

Details of the distribution per share are set out on pages 322 to 323.

6. Movement between net revenue after taxation and distributions

	2014	2013
	£'000	£'000
Net revenue after taxation	3,559	3,968
Add: ACD fee (net of tax relief) paid from capital	2,242	2,048
Add: Undistributed revenue brought forward	1	4
Deduct: Undistributed revenue carried forward	(5)	(1)
	<u>5,797</u>	<u>6,019</u>

7. Debtors

	2014	2013
	£'000	£'000
Accrued income	938	910
Due from the ACD for shares created	14	94
Overseas tax recoverable	2	3
Sales awaiting settlement	102	4,746
Total debtors	<u>1,056</u>	<u>5,753</u>

8. Cash and bank balances

	2014	2013
	£'000	£'000
Amounts held at futures clearing houses and brokers	38	-
Cash and bank balances	539	863
Total cash and bank balances	<u>577</u>	<u>863</u>

9. Creditors

	2014	2013
	£'000	£'000
Accrued expenses	244	232
Due to the ACD for shares cancelled	322	542
Purchases awaiting settlement	48	4,102
Total creditors	<u>614</u>	<u>4,876</u>

Notes to the financial statements – continued

10. Portfolio transaction costs

	2014 £'000	2013 £'000
Analysis of total purchase costs		
Purchases in year before transaction costs	54,759	55,745
Commissions	76	66
Taxes	201	167
Total purchase costs	277	233
Gross purchases total	55,036	55,978
Analysis of total sale costs		
Gross sales before transaction costs	66,046	70,382
Commissions	(95)	(81)
Total sale costs	(95)	(81)
Total sales net of transaction costs	65,951	70,301

11. 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 £552,004 (31.01.13: £680,171). Details of related party transactions are given under note 13 on page 413.

Investments considered to be related parties have been identified in the portfolio statement on page 316 to 317 and the revenue from these investments was £133,716 (31.01.13: £181,745).

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 £3,510 (31.01.13: £6,805). Commission was paid to the associated company JPMorgan Securities Ltd.

The gross stocklending income received was £nil (31.01.13: £77), with fees deducted of £nil (31.01.13: £13).

The following party held a material interest in the Fund at the year end date:

- FNZ (UK) Nominees Limited 27.95% (31.01.13: 27.58%)

12. 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

The tables below detail the interest rate profile of the Fund's assets and liabilities as at the year end.

Currency	Total assets £'000	Floating rate financial assets £'000	Fixed rate financial assets £'000	Financial assets not carrying any interest £'000
31.01.14				
UK Sterling	168,076	4,329	37,435	126,312
Euro	1	-	-	1
31.01.13				
UK Sterling	168,617	1,822	39,483	127,312
US Dollar	2	1	-	1

The floating rate financial assets are bank balances that bear interest at rates based on LIBOR or its overseas equivalent.

Currency	Total liabilities £'000	Floating rate financial liabilities £'000	Financial liabilities not carrying any interest £'000
31.01.14			
UK Sterling	1,010	-	1,010
31.01.13			
UK Sterling	5,318	-	5,318

For consideration of other risks including liquidity, pricing and credit risk, please refer to the notes to the aggregated financial statements, pages 413 to 414.

13. 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 fixed expenses charge are shown below.

	ACD fee	Fixed expenses
Class A shares:	1.50%	0.18%
Class B shares:	1.00%	0.18%
Class C shares:	0.75%	0.18%

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 315.

14. Contingent liabilities and capital commitments

At the balance sheet date there were no contingent liabilities or capital commitments (2013: none).

Distribution tables

Final distribution in pence per share

Group 1 - Shares purchased prior to 1 November 2013

Group 2 - Shares purchased 1 November 2013 to 31 January 2014

	Gross revenue	Tax at 10%	Net revenue	Equalisation	Distribution payable 30.04.14	Distribution paid 30.04.13
A-Class Accumulation Shares						
Group 1	0.877778	0.087778	0.790000	-	0.790000	0.810000
Group 2	0.363872	0.036387	0.327485	0.462515	0.790000	0.810000
A-Class Income Shares						
Group 1	0.555556	0.055556	0.500000	-	0.500000	0.520000
Group 2	0.245961	0.024596	0.221365	0.278635	0.500000	0.520000
B-Class Accumulation Shares						
Group 1	0.933333	0.093333	0.840000	-	0.840000	0.800000
Group 2	0.933333	0.093333	0.840000	0.000000	0.840000	0.800000
B-Class Income Shares						
Group 1	0.588889	0.058889	0.530000	-	0.530000	0.530000
Group 2	0.110691	0.011069	0.099622	0.430378	0.530000	0.530000
C-Class Accumulation Shares						
Group 1	0.800000	0.080000	0.720000	-	0.720000	0.790000
Group 2	0.236567	0.023657	0.212910	0.507090	0.720000	0.790000
C-Class Income Shares						
Group 1	0.766667	0.076667	0.690000	-	0.690000	0.750000
Group 2	0.361637	0.036164	0.325473	0.364527	0.690000	0.750000

Third interim distribution in pence per share

Group 1 - Shares purchased prior to 1 August 2013

Group 2 - Shares purchased 1 August 2013 to 31 October 2013

	Gross revenue	Tax at 10%	Net revenue	Equalisation	Distribution paid 31.01.14	Distribution paid 31.01.13
A-Class Accumulation Shares						
Group 1	1.266667	0.126667	1.140000	-	1.140000	1.130000
Group 2	0.426404	0.042640	0.383764	0.756236	1.140000	1.130000
A-Class Income Shares						
Group 1	0.788889	0.078889	0.710000	-	0.710000	0.740000
Group 2	0.295653	0.029565	0.266088	0.443912	0.710000	0.740000
B-Class Accumulation Shares						
Group 1	1.266667	0.126667	1.140000	-	1.140000	-
Group 2	1.266667	0.126667	1.140000	0.000000	1.140000	-
B-Class Income Shares						
Group 1	0.822222	0.082222	0.740000	-	0.740000	0.740000
Group 2	0.822222	0.082222	0.740000	0.000000	0.740000	0.740000
C-Class Accumulation Shares						
Group 1	1.188889	0.118889	1.070000	-	1.070000	1.100000
Group 2	0.414274	0.041427	0.372847	0.697153	1.070000	1.100000
C-Class Income Shares						
Group 1	1.155556	0.115556	1.040000	-	1.040000	1.100000
Group 2	0.399603	0.039960	0.359643	0.680357	1.040000	1.100000

Distribution tables – continued

Second interim distribution in pence per share

Group 1 – Shares purchased prior to 1 May 2013

Group 2 – Shares purchased 1 May 2013 to 31 July 2013

	Gross revenue	Tax at 10%	Net revenue	Equalisation	Distribution paid 31.10.13	Distribution paid 31.10.12
A-Class Accumulation Shares						
Group 1	1.100000	0.110000	0.990000	-	0.990000	0.930000
Group 2	0.368193	0.036819	0.331374	0.658626	0.990000	0.930000
A-Class Income Shares						
Group 1	0.700000	0.070000	0.630000	-	0.630000	0.610000
Group 2	0.300349	0.030035	0.270314	0.359686	0.630000	0.610000
B-Class Accumulation Shares						
Group 1	1.111111	0.111111	1.000000	-	1.000000	-
Group 2	1.111111	0.111111	1.000000	0.000000	1.000000	-
B-Class Income Shares						
Group 1	0.733333	0.073333	0.660000	-	0.660000	-
Group 2	0.733333	0.073333	0.660000	0.000000	0.660000	-
C-Class Accumulation Shares						
Group 1	1.044444	0.104444	0.940000	-	0.940000	-
Group 2	0.310240	0.031024	0.279216	0.660784	0.940000	-
C-Class Income Shares						
Group 1	1.011111	0.101111	0.910000	-	0.910000	-
Group 2	0.697778	0.069778	0.628000	0.282000	0.910000	-

First interim distribution in pence per share

Group 1 – Shares purchased prior to 1 February 2013

Group 2 – Shares purchased 1 February 2013 to 30 April 2013

	Gross revenue	Tax at 10%	Net revenue	Equalisation	Distribution paid 31.07.13	Distribution paid 31.07.12
A-Class Accumulation Shares						
Group 1	1.500000	0.150000	1.350000	-	1.350000	1.140000
Group 2	0.715800	0.071580	0.644220	0.705780	1.350000	1.140000
A-Class Income Shares						
Group 1	0.955555	0.095555	0.860000	-	0.860000	0.760000
Group 2	0.395805	0.039580	0.356225	0.503775	0.860000	0.760000
B-Class Accumulation Shares						
Group 1	1.544444	0.154444	1.390000	-	1.390000	-
Group 2	0.459742	0.045974	0.413768	0.976232	1.390000	-
B-Class Income Shares						
Group 1	0.966666	0.096666	0.870000	-	0.870000	-
Group 2	0.966666	0.096666	0.870000	0.000000	0.870000	-
C-Class Accumulation Shares						
Group 1	1.455555	0.145555	1.310000	-	1.310000	-
Group 2	0.560850	0.056085	0.504765	0.805235	1.310000	-
C-Class Income Shares						
Group 1	1.400000	0.140000	1.260000	-	1.260000	-
Group 2	0.397314	0.039731	0.357583	0.902417	1.260000	-

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.

JPM UK Equity Fund

Important information

This Fund was merged into JPM UK Strategic Growth Fund on 31 August 2013.

Highest/lowest share price and distribution record

Calendar year	Highest share price	Lowest share price	Distribution per share (net)
A-Class Accumulation Shares			
2009	280.2p	186.2p	6.79p
2010	322.6p	255.0p	5.19p
2011	335.3p	265.9p	4.66p
2012	346.1p	293.0p	5.62p
2013 ^A	417.6p	349.6p	12.49p
A-Class Income Shares			
2009	34.76p	23.10p	0.89p
2010	39.24p	31.03p	0.65p
2011	40.20p	31.87p	0.56p
2012	40.73p	34.49p	0.67p
2013 ^A	48.25p	41.15p	1.46p
B-Class Accumulation Shares^B			
2012	346.4p	326.1p	-
2013 ^A	419.0p	349.9p	13.92p
C-Class Accumulation Shares^C			
2012	106.0p	98.01p	-
2013 ^A	128.4p	107.1p	4.66p
C-Class Income Shares^C			
2012	106.0p	98.01p	-
2013 ^A	125.5p	107.1p	4.61p

^A To 31 January 2014.

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

^C C-Class Accumulation Shares and C-Class Income Shares were launched on 20 August 2012.

Net asset values and Ongoing charges

Date	Net asset value per share class £'000	Number of shares	Net asset value per share	Ongoing charges
A-Class Accumulation Shares				
31.01.12	235,100	76,997,542	305.3p	1.67%
31.01.13	256,366	70,595,366	363.2p	1.68%
31.01.14	18	-	-	-
A-Class Income Shares				
31.01.12	341	949,751	35.93p	1.68%
31.01.13	376	897,773	41.96p	1.68%
31.01.14	-	-	-	-
B-Class Accumulation Shares				
31.01.13	4	1,000	363.5p	1.18%
31.01.14	-	-	-	-
C-Class Accumulation Shares				
31.01.13	31	27,811	111.3p	0.93%
31.01.14	-	-	-	-
C-Class Income Shares				
31.01.13	1	1,000	108.9p	0.93%
31.01.14	-	-	-	-

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

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

Financial statements

Statement of total return

For the year ending 31 January

	2014	2013
£'000	£'000	£'000
Income		
Net capital gains (Note 1)	22,957	37,214
Revenue (Note 2)	6,611	8,968
Expenses (Note 3)	(2,599)	(4,008)
Net revenue before taxation	4,012	4,960
Taxation (Note 4)	2	2
Net revenue after taxation	4,014	4,962
Total return before distributions	26,971	42,176
Finance costs: Distributions (Note 5)	(4,017)	(4,963)
Change in net assets attributable to shareholders from investment activities	22,954	37,213

Balance sheet

As at 31 January

	2014	2013
£'000	£'000	£'000
ASSETS		
Investment assets	-	256,628
Debtors (Note 7)	1	667
Cash and bank balances (Note 8)	17	242
Total other assets	18	909
Total assets	18	257,537
LIABILITIES		
Creditors (Note 9)	-	(752)
Distribution payable on income shares	-	(7)
Total liabilities	-	(759)
Net assets attributable to shareholders	18	256,778

The notes to these financial statements are shown on pages 326 to 327.

Statement of change in net assets attributable to shareholders

For the year ending 31 January

	2014	2013
£'000	£'000	£'000
Opening net assets attributable to shareholders	256,778	235,441
Amounts transferred to JPM UK Strategic Growth Fund	(264,499)	-
Amounts receivable on issue of shares	454	3,159
Amounts payable on cancellation of shares	(19,477)	(23,719)
	(19,023)	(20,560)
Change in net assets attributable to shareholders from investment activities (see above)	22,954	37,213
Retained distributions on accumulation shares	3,826	4,709
Stamp duty reserve tax	(18)	(25)
Closing net assets attributable to shareholders	18	256,778

Notes to the financial statements for the year ending 31 January 2014

1. Net capital gains

	2014	2013
	£'000	£'000
Currency losses	-	(1)
Derivative contracts	177	893
Non-derivative securities	22,780	36,322
Net capital gains	<u>22,957</u>	<u>37,214</u>

2. Revenue

	2014	2013
	£'000	£'000
Distributions from authorised ICVCs	10	109
Income from Liquidity funds	12	25
Franked income from UK equity investments	5,954	8,160
Income from overseas equity investments	445	489
Interest on bank and term deposits	1	1
Management fee rebates	18	23
Property income distributions	21	44
Stock dividends	79	49
Underwriting commission	71	68
Total revenue	<u>6,611</u>	<u>8,968</u>

3. Expenses

	2014	2013
	£'000	£'000
Payable to the ACD or associate of the ACD:		
ACD fee	2,320	3,579
Fixed expenses	279	429
Total expenses	<u>2,599</u>	<u>4,008</u>

4. Taxation

	2014	2013
	£'000	£'000
a) Analysis of charge in the year		
Overseas tax suffered	(2)	(2)
Current year tax charge (Note 4b)	<u>(2)</u>	<u>(2)</u>
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	4,012	4,960
Corporation tax at 20%	<u>802</u>	<u>992</u>
Effects of:		
Dividends not subject to corporation tax	(1,298)	(1,761)
Excess expenses for which no relief taken	499	769
Expenses not deductible for tax purposes	(3)	-
Overseas tax suffered	(2)	(2)
	<u>(804)</u>	<u>(994)</u>
Current year tax charge (Note 4a)	<u>(2)</u>	<u>(2)</u>

No deferred tax asset has been recognised in the financial statements. At the year end date, the Fund had a potential unrecognised deferred tax asset of £20,654,011 (31.01.13: £20,155,262) in relation to £103,270,055 (31.01.13: £100,776,310) of excess management expenses

5. Finance costs

Distributions

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

	2014	2013
	£'000	£'000
Final dividend distribution	3,834	4,716
Add: Amounts payable on cancellation of shares	186	290
Deduct: Amounts receivable on issue of shares	(3)	(43)
Total finance costs	<u>4,017</u>	<u>4,963</u>

Details of the distribution per share are set out on page 328.

6. Movement between net revenue after taxation and distributions

	2014	2013
	£'000	£'000
Net revenue after taxation	4,014	4,962
Add: Undistributed revenue brought forward	1	2
Deduct: Undistributed revenue carried forward	1	(1)
Equalisation on conversions	1	-
	<u>4,017</u>	<u>4,963</u>

7. Debtors

	2014	2013
	£'000	£'000
Accrued income	-	521
Due from the ACD for shares created	-	8
Overseas tax recoverable	-	13
Sales awaiting settlement	-	125
Prepaid Expenses	1	-
Total debtors	<u>1</u>	<u>667</u>

8. Cash and bank balances

	2014	2013
	£'000	£'000
Amounts held at futures clearing houses and brokers	-	70
Cash and bank balances	17	172
Total cash and bank balances	<u>17</u>	<u>242</u>

9. Creditors

	2014	2013
	£'000	£'000
Accrued expenses	-	361
Due to the ACD for shares cancelled	-	391
Total creditors	<u>-</u>	<u>752</u>

Notes to the financial statements – continued

10. Portfolio transaction costs

	2014 £'000	2013 £'000
Analysis of total purchase costs		
Purchases in year before transaction costs	187,194	157,751
Commissions	334	242
Taxes	706	610
Total purchase costs	1,040	852
Gross purchases total	188,234	158,603
Analysis of total sale costs		
Gross sales before transaction costs	466,601	172,625
Commissions	(375)	(263)
Taxes	-	(1)
Total sale costs	(375)	(264)
Total sales net of transaction costs	466,226	172,361

11. 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 £12 (31.01.13: £742,659). Details of related party transactions are given under note 13 on page 413.

Investments considered to be related parties were transferred JPM UK Strategic Growth during the year, the revenue from these investments was £10,247 (31.01.13: £25,434).

During the year, the Fund merged with JPM UK Strategic Growth. The Fund closed and its asset amounting to £264,499,000 were transferred to JPM UK Strategic Growth.

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 period were £93,221 (31.01.13: £140,589). 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:

- J.P. Morgan Nominees Ltd 0.00% (31.01.13: 28.55%)
- FNZ (UK) Nominees Limited 0.00% (31.01.13: 14.96%)

12. Share classes

The Fund had three share classes; Class A Shares, Class B Shares and Class C Shares. The Authorised Corporate Director's (ACD) fee and fixed expenses charge were as shown below.

	ACD fee	Fixed expenses
Class A shares:	1.50%	0.18%
Class B shares:	1.00%	0.18%
Class C shares:	0.75%	0.18%

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 324. All classes had the same rights on winding up.

13. Contingent liabilities and capital commitments

At the balance sheet date there were no contingent liabilities or capital commitments (2013: none).

Distribution table

Final distribution in pence per share

Group 1 – Shares purchased prior to 1 February 2013

Group 2 – Shares purchased 1 February 2013 to 30 August 2013

	Gross revenue	Tax at 10%	Net revenue	Equalisation	Distribution paid 29.11.13	Distribution paid 30.04.13
A-Class Accumulation Shares						
Group 1	6.466667	0.646667	5.820000	-	5.820000	6.670000
Group 2	2.807324	0.280732	2.526592	3.293408	5.820000	6.670000
A-Class Income Shares						
Group 1	0.755556	0.075556	0.680000	-	0.680000	0.780000
Group 2	0.313630	0.031363	0.282267	0.397733	0.680000	0.780000
B-Class Accumulation Shares						
Group 1	7.633333	0.763333	6.870000	-	6.870000	7.050000
Group 2	4.690300	0.469030	4.221270	2.648730	6.870000	7.050000
C-Class Accumulation Shares						
Group 1	2.500000	0.250000	2.250000	-	2.250000	2.410000
Group 2	1.404759	0.140476	1.264283	0.985717	2.250000	2.410000
C-Class Income Shares						
Group 1	2.455556	0.245556	2.210000	-	2.210000	2.400000
Group 2	2.455556	0.245556	2.210000	0.000000	2.210000	2.400000

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 Focus Fund

Investment objective and policy

To provide long-term capital growth by investing in a portfolio primarily of UK securities.

UK securities are securities 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 with little regard for their Benchmark weighting.

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.

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.

Fund review

The UK stock market delivered a strong positive return for the year, supported by accommodative monetary policy and the faster-than-expected domestic economic recovery.

The Fund, which invests in a focused portfolio of stocks with attractive intrinsic value, backed with quality and supported by a catalyst, outperformed its benchmark. Positive contributors to relative returns included stock selection and overweight positions in the transport, services & trading and construction, building & property sectors, and stock selection and an underweight position in banks. Stock selection and an underweight position in general industry detracted, as did stock selection in oil and insurance.

At the stock level, the Fund benefited in relative terms from an overweight position in van rental company Northgate, which saw a strong rise in customer numbers as new sites in London performed ahead of expectations. An overweight position in Persimmon was also positive as homebuilders benefited from UK government measures to support the housing market. Stock-level detractors from relative returns included an overweight position in Partnership Assurance. The provider of specialist annuities, which listed in June, fell after warning that fourth-quarter sales were unlikely to increase from a year earlier. An overweight position Salamander Energy was also detrimental as

the oil explorer was hurt by disappointing drilling results in the Gulf of Thailand. However, relative returns were boosted by the Fund's overweight position in Lloyds Banking Group, which rose over the period as its restructuring efforts lifted investor sentiment.

Fund outlook

The economic backdrop looks set to remain favourable for UK stocks. If the recovery continues to gather momentum, UK companies have the potential to deliver earnings growth this year.

12 month performance as at 31 January

	2014	2013	2012	2011	2010
JPM UK Focus A-Class Acc	16.9%	17.0%	-4.9%	16.7%	37.8%
JPM UK Focus B-Class Acc	17.3%	-	-	-	-
JPM UK Focus C-Class Acc	17.6%	17.9%	-4.1%	-	-
Benchmark Index	10.1%	16.3%	-0.3%	18.1%	33.2%

Fund statistics

Risk and Reward Profile	6*
Fund size	£51.3m
Benchmark Index	FTSE All-Share Index (Net)
Fund charges	
A-Class	Initial 3.00%, Annual 1.50%
B-Class	Initial Nil, Annual 1.00%
C-Class	Initial Nil, Annual 0.75%

Top ten holdings

	%
Royal Dutch Shell	4.1
British American Tobacco	3.6
Vodafone Group	3.1
Glencore Xstrata	3.0
Lloyds Banking Group	2.9
GlaxoSmithKline	2.8
Barclays	2.8
DCC	2.8
ITV	2.7
Brammer	2.7

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

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

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

Source: J.P. Morgan.

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Sector breakdown

	%
Industrials	18.0
Financials	17.5
Consumer services	15.4
Consumer goods	14.0
Oil & gas	12.7
Health care	7.8
Telecommunications	5.2
Basic materials	4.4
Equity investment instruments	3.0
Technology	1.6
Net other assets	0.4

Highest/lowest share price and distribution record

Calendar year	Highest share price	Lowest share price	Distribution per share (net)
A-Class Accumulation Shares			
2009	49.36p	29.99p	1.04p
2010	56.04p	44.06p	0.70p
2011	58.23p	45.14p	0.59p
2012	58.19p	49.30p	0.95p
2013	74.52p	59.04p	0.94p
2014 ^a	76.33p	72.17p	0.12p
A-Class Income Shares			
2009	45.33p	27.99p	0.97p
2010	50.74p	40.30p	0.63p
2011	52.66p	40.43p	0.54p
2012	51.32p	43.91p	0.84p
2013	64.63p	51.95p	0.83p
2014 ^a	66.20p	62.59p	0.11p
B-Class Accumulation Shares^b			
2012	58.23p	54.50p	-
2013	74.79p	59.09p	1.12p
2014 ^a	76.65p	72.49p	0.24p
C-Class Accumulation Shares^c			
2010	104.2p	96.19p	-
2011	108.6p	84.50p	1.44p
2012	110.0p	92.77p	2.57p
2013	141.7p	111.6p	2.62p
2014 ^a	145.3p	137.4p	0.22p
C-Class Income Shares^d			
2012	105.4p	97.70p	-
2013	132.8p	106.9p	2.35p
2014 ^a	136.2p	128.8p	0.41p

^a To 31 January 2014.

^b B-Class Accumulation Shares were launched on 29 October 2012.

^c C-Class Accumulation Shares were launched on 15 November 2010.

^d C-Class Income Shares were launched on 20 August 2012.

Portfolio turnover rate

31.01.13	43.9%
31.01.14	41.9%

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

Portfolio transaction costs

	Broker Commissions	Transaction Taxes	Total
31.01.13	0.06%	0.09%	0.15%
31.01.14	0.08%	0.06%	0.14%

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

Stamp duty reserve tax

31.01.13	0.01%
31.01.14	0.00%

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

Net asset values and Ongoing charges

Date	Net asset value per share class £'000	Number of shares	Net asset value per share	Ongoing charges
A-Class Accumulation Shares				
31.01.12	49,723	94,362,224	52.69p	1.68%
31.01.13	53,196	86,261,507	61.67p	1.68%
31.01.14	51,185	71,048,928	72.04p	1.68%
A-Class Income Shares				
31.01.12	57	120,998	46.94p	1.68%
31.01.13	34	62,935	53.94p	1.68%
31.01.14	37	59,475	62.37p	1.68%
B-Class Accumulation Shares				
31.01.13	3	5,000	61.74p	1.18%
31.01.14	3	3,500	72.36p	1.18%
C-Class Accumulation Shares				
31.01.12	3,638	3,678,796	98.89p	0.87%
31.01.13	2,841	2,435,323	116.7p	0.93%
31.01.14	40	28,955	137.2p	0.93%
C-Class Income Shares				
31.01.13	1	1,000	110.7p	0.93%
31.01.14	1	1,043	128.1p	0.93%

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

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

Portfolio statement

As at 31 January 2014

Investment	Holding	Market value £'000	Total net assets %
Industrials - 18.0% (14.3%)			
Industrial engineering - 2.0%			
Bodycote	67,673	439	0.9
Fenner	141,567	576	1.1
Industrial metals - 0.1%			
International Ferro Metals ^A	704,762	72	0.1
Industrial transportation - 1.2%			
Global Ports Investments GDR ^B	78,754	608	1.2
Support services - 14.7%			
Brammer	304,491	1,399	2.7
DCC	51,627	1,426	2.8
Essentra	44,194	364	0.7
Howden Joinery Group	201,228	678	1.3
Northgate	177,313	983	1.9
Premier Farnell	112,359	241	0.5
Regus	443,552	915	1.8
SIG	482,959	927	1.8
Travis Perkins	35,439	608	1.2
Financials - 17.5% (16.1%)			
Banks - 10.7%			
Bank of Georgia	65,061	1,361	2.7
Barclays	536,246	1,436	2.8
HSBC	193,301	1,197	2.3
Lloyds Banking Group	1,805,538	1,474	2.9
General financial - 0.8%			
International Personal Finance	93,427	431	0.8
Life insurance - 3.8%			
Partnership Assurance Group	243,621	787	1.5
Prudential	95,699	1,167	2.3
Nonlife insurance - 2.2%			
Beazley Group	169,542	431	0.8
Direct Line Insurance Group	271,162	713	1.4
Consumer services - 15.4% (13.6%)			
Food & drug retails - 1.2%			
Morrison (Wm.) Supermarkets	254,532	606	1.2
General retailers - 4.0%			
Debenhams	607,397	447	0.9
Folli Follie ^C	33,088	616	1.2
Inchcape	63,634	366	0.7
Kering	358	43	0.1
Kingfisher	150,524	545	1.1
Media - 4.9%			
ITV	715,818	1,404	2.7
Pearson	39,402	432	0.8
UBM	101,954	695	1.4
Travel & leisure - 5.3%			
Dominos Pizza	181,282	959	1.9
Intercontinental Hotels Group	52,853	1,028	2.0
Playtech	104,073	713	1.4
Consumer goods - 14.0% (12.7%)			
Beverages - 2.1%			
SABMiller	40,198	1,073	2.1
Food producers - 3.9%			
Associated British Foods	40,570	1,078	2.1
Premier Foods	677,684	933	1.8
Household goods - 4.4%			
Persimmon	58,497	748	1.5
Redrow	154,849	494	1.0
Taylor Wimpey	882,887	983	1.9
Tobacco - 3.6%			
British American Tobacco	63,092	1,835	3.6
Oil & gas - 12.7% (16.2%)			
Oil & gas producers - 9.9%			
Afren	446,608	654	1.3
BG Group	49,956	508	1.0
BP	289,220	1,367	2.7
Royal Dutch Shell 'A'	47,498	1,008	2.0
Royal Dutch Shell 'B'	48,500	1,088	2.1
Salamander Energy	399,350	421	0.8
Oil equipment, services & distribution - 2.8%			
LSL Property Services	211,289	914	1.8
Petrofac	44,281	515	1.0

Investment	Holding	Market value £'000	Total net assets %
Health care - 7.8% (5.1%)			
Pharmaceuticals & biotechnology - 7.8%			
Benchmark Holdings*	725,000	921	1.8
GlaxoSmithKline	93,513	1,453	2.8
MDxHealth	234,834	563	1.1
Shire	25,538	766	1.5
Thrombogenics	20,932	321	0.6
Telecommunications - 5.2% (4.6%)			
Fixed line telecommunications - 2.1%			
BT Group	290,168	1,101	2.1
Mobile telecommunications - 3.1%			
Vodafone Group	720,682	1,598	3.1
Basic materials - 4.4% (7.9%)			
Mining - 4.4%			
Glencore Xstrata	480,311	1,539	3.0
Highland Gold Mining*	282,451	176	0.3
Rio Tinto	179,64	578	1.1
Equity investment instruments - 3.0% (1.2%)			
Burford Capital*	549,454	648	1.3
Greencoat UK Wind	829,268	850	1.7
Technology - 1.6% (2.9%)			
Software & computer services - 1.6%			
AVEVA Group	14,280	304	0.6
Computacenter	81,131	525	1.0
Investment assets		51,049	99.6
Net other assets		217	0.4
Net assets		51,266	100.0

Unless otherwise stated the above securities are admitted to official stock exchange listings or trade on a regulated market.

The comparative percentage figures in brackets are at 31 January 2013.

* Listed on Alternative Investment Market (AIM)

^A South Africa

^B Russia

^C Greece

Portfolio movements

For the year ending 31 January 2014

	£'000		£'000
Total of all purchases for the year (Note 10)	19,048	Total of all sales for the year (Note 10)	31,641
Major purchases	Cost	Major sales	Proceeds
JPM Sterling Liquidity 'X' (Distribution)^	5,902	JPM Sterling Liquidity 'X' (Distribution)^	7,403
Bank of Georgia	1,273	Imperial Tobacco Group	1,143
British American Tobacco	1,151	Centrica	1,113
Partnership Assurance Group	1,077	Playtech	856
Greencoat UK Wind	857	Royal Dutch Shell 'B'	845
DCC	758	Bayer	806
Glencore Xstrata	735	PostNL	778
GlaxoSmithKline	612	Lonza Group	776
Global Ports Investments GDR	548	International Personal Finance	733
Bpost	548	HeidelbergCement	718
Folli Follie	504	Paragon Group of Companies	665
PostNL	502	Solvay	634
Benchmark Holdings	480	BP	624
MDxHealth	434	Atos	622
Dominos Pizza	361	BG Group	617
SABMiller	342	Barclays	617
Premier Foods	260	Persimmon	607
Pearson	255	Vodafone Group	588
SBM Offshore	251	Bpost	578
Barclays	204	HSBC	548

^ Deemed to be investment in related parties of the ACD

Financial statements

Statement of total return

For the year ending 31 January

	2014	2013
£'000	£'000	£'000
Income		
Net capital gains (Note 1)	7,947	7,260
Revenue (Note 2)	1,510	1,900
Expenses (Note 3)	(890)	(860)
Net revenue before taxation	620	1,040
Taxation (Note 4)	(19)	(19)
Net revenue after taxation	601	1,021
Total return before distributions	8,548	8,281
Finance costs: Distributions (Note 5)	(599)	(1,021)
Change in net assets attributable to shareholders from investment activities	7,949	7,260

Balance sheet

As at 31 January

	2014	2013
£'000	£'000	£'000
ASSETS		
Investment assets	51,049	55,810
Debtors (Note 7)	90	125
Cash and bank balances (Note 8)	204	534
Total other assets	294	659
Total assets	51,343	56,469
LIABILITIES		
Creditors (Note 9)	(77)	(370)
Bank overdrafts	-	(24)
Total liabilities	(77)	(394)
Net assets attributable to shareholders	51,266	56,075

The notes to these financial statements are shown on pages 334 to 335.

Statement of change in net assets attributable to shareholders

For the year ending 31 January

	2014	2013
£'000	£'000	£'000
Opening net assets attributable to shareholders	56,075	53,418
Amounts receivable on issue of shares	843	991
Amounts payable on cancellation of shares	(14,133)	(6,550)
	(13,290)	(5,559)
Change in net assets attributable to shareholders from investment activities (see above)	7,949	7,260
Retained distributions on accumulation shares	533	959
Stamp duty reserve tax	(1)	(3)
Closing net assets attributable to shareholders	51,266	56,075

Notes to the financial statements for the year ending 31 January 2014

1. Net capital gains

	2014	2013
	£'000	£'000
Currency gains	-	3
Derivative contracts	(8)	182
Non-derivative securities	7,955	7,075
Net capital gains	<u>7,947</u>	<u>7,260</u>

2. Revenue

	2014	2013
	£'000	£'000
Franked income from UK equity investments	1,123	1,523
Income from Liquidity funds	3	5
Income from overseas equity investments	384	312
Stock dividends	-	60
Total revenue	<u>1,510</u>	<u>1,900</u>

3. Expenses

	2014	2013
	£'000	£'000
Payable to the ACD or associate of the ACD:		
ACD fee	794	767
Fixed expenses	96	93
Total expenses	<u>890</u>	<u>860</u>

4. Taxation

	2014	2013
	£'000	£'000
a) Analysis of charge in the year		
Overseas tax suffered	19	19
Current year tax charge (Note 4b)	<u>19</u>	<u>19</u>
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	620	1,040
Corporation tax at 20%	<u>124</u>	<u>208</u>
Effects of:		
Dividends not subject to corporation tax	(302)	(379)
Excess expenses for which no relief taken	178	171
Overseas tax suffered	19	19
	<u>(105)</u>	<u>(189)</u>
Current year tax charge (Note 4a)	<u>19</u>	<u>19</u>

No deferred tax asset has been recognised in the financial statements. At the year end date, the Fund had a potential unrecognised deferred tax asset of £1,049,762 (31.01.13: £872,336) in relation to £5,248,811 (31.01.13: £4,361,682) 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.

5. Finance costs

Distributions

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

	2014	2013
	£'000	£'000
Interim dividend distribution	448	623
Final dividend distribution	85	337
Add: Amounts payable on cancellation of shares	70	68
Deduct: Amounts receivable on issue of shares	(4)	(7)
Total finance costs	<u>599</u>	<u>1,021</u>

Details of the distribution per share are set out on page 336.

6. Movement between net revenue after taxation and distributions

	2014	2013
	£'000	£'000
Net revenue after taxation	601	1,021
Add: Undistributed revenue brought forward	4	4
Deduct: Undistributed revenue carried forward	(6)	(4)
	<u>599</u>	<u>1,021</u>

7. Debtors

	2014	2013
	£'000	£'000
Accrued income	75	102
Overseas tax recoverable	15	23
Total debtors	<u>90</u>	<u>125</u>

8. Cash and bank balances

	2014	2013
	£'000	£'000
Amounts held at futures clearing houses and brokers	15	-
Cash and bank balances	189	534
Total cash and bank balances	<u>204</u>	<u>534</u>

9. Creditors

	2014	2013
	£'000	£'000
Accrued expenses	77	77
Due to the ACD for shares cancelled	-	293
Total creditors	<u>77</u>	<u>370</u>

Notes to the financial statements – continued

10. Portfolio transaction costs

	2014 £'000	2013 £'000
Analysis of total purchase costs		
Purchases in year before transaction costs	18,981	15,394
Commissions	25	25
Taxes	42	46
Total purchase costs	67	71
Gross purchases total	19,048	15,465
Analysis of total sale costs		
Gross sales before transaction costs	31,679	20,048
Commissions	(38)	(33)
Total sale costs	(38)	(33)
Total sales net of transaction costs	31,641	20,015

11. 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 £76,576 (31.01.13: £369,657). Details of related party transactions are given under note 13 on page 413.

Investments considered to be related parties have been identified in the portfolio statement on page 331 and the revenue from these investments was £2,328 (31.01.13: £4,408).

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 £535 (31.01.13: £510). 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 79.54% (31.01.13: 68.73%)
- Chase Nominees Ltd Acc 22075 13.76% (31.01.13: 14.92%)

12. Financial instruments

Currency exposures

A 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 affected by currency movements.

Currency	Net foreign currency assets		
	Total £'000	Monetary exposures £'000	Non-monetary exposures £'000
31.01.14			
Euro	1,561	18	1,543
US Dollar	612	4	608
Norwegian Krone	5	5	-
Swedish Krona	1	1	-
31.01.13			
Euro	3,854	33	3,821
Swiss Franc	596	-	596
Swedish Krona	172	1	171
Norwegian Krone	11	11	-
US Dollar	5	5	-

Interest rate risk

At the year end date, 0.4% (31.01.13: 3.6%) of the Fund’s net assets by value were interest bearing, carrying a (fixed/floating) rate.

For consideration of other risks including liquidity, pricing and credit risk, please refer to the notes to the aggregated financial statements, pages 413 to 414.

13. 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 fixed expenses charge are shown below.

	ACD fee	Fixed expenses
Class A shares:	1.50%	0.18%
Class B shares:	1.00%	0.18%
Class C shares:	0.75%	0.18%

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 330. All classes have the same rights on winding up.

14. Contingent liabilities and capital commitments

At the balance sheet date there were no contingent liabilities or capital commitments (2013: none).

Distribution tables

Final distribution in pence per share

Group 1 – Shares purchased prior to 1 August 2013

Group 2 – Shares purchased 1 August 2013 to 31 January 2014

	Gross revenue	Tax at 10%	Net revenue	Equalisation	Distribution payable 30.04.14	Distribution paid 30.04.13
A-Class Accumulation Shares						
Group 1	0.133333	0.013333	0.120000	-	0.120000	0.360000
Group 2	0.000000	0.000000	0.000000	0.120000	0.120000	0.360000
A-Class Income Shares						
Group 1	0.122222	0.012222	0.110000	-	0.110000	0.320000
Group 2	0.111016	0.011102	0.099914	0.010086	0.110000	0.320000
B-Class Accumulation Shares						
Group 1	0.266667	0.026667	0.240000	-	0.240000	0.430000
Group 2	0.266667	0.026667	0.240000	0.000000	0.240000	0.430000
C-Class Accumulation Shares						
Group 1	0.244444	0.024444	0.220000	-	0.220000	1.100000
Group 2	0.093518	0.009352	0.084166	0.135834	0.220000	1.100000
C-Class Income Shares						
Group 1	0.455556	0.045556	0.410000	-	0.410000	1.020000
Group 2	0.455556	0.045556	0.410000	0.000000	0.410000	1.020000

Interim distribution in pence per share

Group 1 – Shares purchased prior to 1 February 2013

Group 2 – Shares purchased 1 February 2013 to 31 July 2013

	Gross revenue	Tax at 10%	Net revenue	Equalisation	Distribution paid 31.10.13	Distribution paid 31.10.12
A-Class Accumulation Shares						
Group 1	0.644444	0.064444	0.580000	-	0.580000	0.660000
Group 2	0.014886	0.001489	0.013397	0.566603	0.580000	0.660000
A-Class Income Shares						
Group 1	0.566667	0.056667	0.510000	-	0.510000	0.580000
Group 2	0.507992	0.050799	0.457193	0.052807	0.510000	0.580000
B-Class Accumulation Shares						
Group 1	0.766667	0.076667	0.690000	-	0.690000	-
Group 2	0.766667	0.076667	0.690000	0.000000	0.690000	-
C-Class Accumulation Shares						
Group 1	1.688889	0.168889	1.520000	-	1.520000	1.650000
Group 2	1.137119	0.113712	1.023407	0.496593	1.520000	1.650000
C-Class Income Shares						
Group 1	1.477778	0.147778	1.330000	-	1.330000	-
Group 2	1.410678	0.141068	1.269610	0.060390	1.330000	-

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 UK Higher Income Fund

Investment objective and policy^A

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.

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

Risk profile

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

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

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.

Fund review

The UK stock market delivered a strong positive return for the year, supported by accommodative monetary policy and the faster-than-expected domestic economic recovery.

The Fund, which focuses on high-dividend yielding stocks that are underpinned by sound fundamentals, outperformed its benchmark. At the sector level, the biggest contributors to relative performance included stock selection and underweight holdings in mining and beverages. Detractors from relative returns included stock selection and an underweight position in pharmaceuticals & biotechnology, as well as stock selection in banks.

At the stock level, the Fund benefited in relative terms from not holding diversified mining company Anglo American, which fell after releasing weaker-than-expected third-quarter production data. An overweight position in Britvic also boosted relative returns, as the soft drinks maker gained after signing a US distribution and bottling deal with PepsiCo. Detractors from relative performance included an underweight position in GlaxoSmithKline, as the pharmaceuticals company reported a solid set of third-quarter results, despite facing currency headwinds and weakness in China. An underweight

holding in Lloyds Banking Group also held back relative returns, as strong share price performance was supported by rapid expansion in net interest margins. However, relative returns were boosted by an overweight position in UK high street clothing retailer Next, which raised its full-year profit forecast and announced a special dividend following a strong December trading period.

Fund outlook

The economic backdrop looks set to remain favourable for UK stocks. If the recovery continues to gather momentum, UK companies have the potential to deliver earnings growth this year.

12 month performance as at 31 January

	2014	2013	2012	2011	2010
JPM UK Higher Income A-Class Acc	12.7%	17.3%	-0.2%	18.3%	28.1%
JPM UK Higher Income B-Class Inc	13.2%	-	-	-	-
JPM UK Higher Income C-Class Acc	13.6%	-	-	-	-
Benchmark Index	10.1%	16.3%	-0.3%	18.1%	33.2%

Fund statistics

Risk and Reward Profile	6*
Fund size	£297.6m
Benchmark Index	FTSE All-Share Index (Net)
Fund charges	
A-Class	Initial 3.00%, Annual 1.50%
B-Class	Initial Nil, Annual 1.00%
C-Class	Initial Nil, Annual 0.75%

Top ten holdings (excluding Liquidity funds) %

Royal Dutch Shell 'B'	6.9
Vodafone Group	6.0
HSBC	6.0
BP	4.8
AstraZeneca	2.9
GlaxoSmithKline	2.6
Rio Tinto	2.4
Lloyds Banking Group	2.4
BHP Billiton	2.3
National Grid	2.3

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

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

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

Source: J.P. Morgan.

Formerly JPM Premier Equity Income Fund, the Fund name was changed on 01/08/11.

^A On 01/08/11 the investment objective and policy of the Fund was changed.

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Sector breakdown

	%
Financials	31.2
Oil & gas	13.2
Industrials	11.8
Consumer services	10.8
Telecommunications	9.7
Basic materials	7.3
Health care	5.5
Consumer goods	3.8
Liquidity funds	3.0
Utilities	2.9
Technology	1.5
Futures	(0.1)
Net other liabilities	(0.6)

Portfolio turnover rate

31.01.13	87.0%
31.01.14	152.5%

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

Portfolio transaction costs

	Broker Commissions	Transaction Taxes	Total
31.01.13	0.23%	0.21%	0.44%
31.01.14	0.18%	0.22%	0.40%

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

Highest/lowest share price and distribution record

Calendar year	Highest share price	Lowest share price	Distribution per share (net)
A-Class Accumulation Shares			
2009	559.2p	356.7p	23.45p
2010	644.9p	512.9p	18.88p
2011	674.3p	552.4p	21.88p
2012	708.2p	609.4p	26.41p
2013	854.4p	714.8p	30.09p
2014 ^b	873.6p	838.2p	13.91p
A-Class Income Shares			
2009	409.1p	268.1p	17.91p
2010	456.0p	369.9p	13.64p
2011	470.7p	377.4p	15.35p
2012	464.3p	408.8p	17.85p
2013	538.6p	468.6p	19.63p
2014 ^b	550.7p	528.5p	8.77p
B-Class Accumulation Shares^c			
2013	856.5p	50.00p	17.86p
2014 ^b	876.0p	840.7p	13.90p
B-Class Income Shares^d			
2012	464.7p	437.2p	-
2013	541.7p	469.0p	19.55p
2014 ^b	554.0p	531.7p	8.80p
C-Class Accumulation Shares^e			
2012	104.3p	97.44p	-
2013	126.8p	105.3p	4.46p
2014 ^b	129.7p	124.5p	2.06p
C-Class Income Shares^e			
2012	104.4p	97.44p	-
2013	122.0p	105.4p	4.43p
2014 ^b	124.8p	119.8p	1.98p

^a To 31 January 2014.

^b B-Class Accumulation Shares were launched on 17 June 2013.

^c B-Class Income Shares were launched on 29 October 2012.

^d C-Class Accumulation Shares and C-Class Income Shares were launched on 20 August 2012.

Stamp duty reserve tax

31.01.13	0.00%
31.01.14	0.01%

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

Net asset values and Ongoing charges

Date	Net asset value per share class £'000	Number of shares	Net asset value per share	Ongoing charges
A-Class Accumulation Shares				
31.01.12	155,271	24,521,746	633.2p	1.68%
31.01.13	167,720	22,568,314	743.2p	1.68%
31.01.14	175,387	20,942,138	837.5p	1.68%
A-Class Income Shares				
31.01.12	116,876	27,512,678	424.8p	1.68%
31.01.13	122,705	25,607,237	479.2p	1.68%
31.01.14	118,868	22,894,385	519.2p	1.68%
B-Class Accumulation Shares				
31.01.14	76	9,100	839.9p	1.18%
B-Class Income Shares				
31.01.13	5	1,000	479.8p	1.18%
31.01.14	65	12,463	522.4p	1.18%
C-Class Accumulation Shares				
31.01.13	17	15,927	109.6p	0.93%
31.01.14	1,106	889,015	124.4p	0.93%
C-Class Income Shares				
31.01.13	118	109,036	107.8p	0.93%
31.01.14	2,115	1,796,278	117.7p	0.93%

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

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

Portfolio statement

As at 31 January 2014

Investment	Holding	Market value £'000	Total net assets %	Investment	Holding	Market value £'000	Total net assets %
Financials – 31.2% (28.8%)				Support services – 5.2%			
Banks – 9.2%				Atkins (WS)			
Bank of Georgia	114,435	2,394	0.8	Berendsen	103,695	1,404	0.5
HSBC	2,866,523	17,747	6.0	Brammer	189,833	1,743	0.6
Lloyds Banking Group	8,763,150	7,154	2.4	Electrocomponents	75,000	345	0.1
Equity investment instruments – 0.0%				Hyder Consulting	979,990	2,597	0.9
Brookwell†	6,303	3	-	Interserve	170,000	1,096	0.4
Financial services – 1.6%				Lavendon Group	296,232	1,831	0.6
Aberdeen Asset Management	469,077	1,835	0.6	Mitie Group	240,000	468	0.1
Jupiter Fund Management	283,773	1,048	0.4	Paypoint	556,286	1,761	0.6
Provident Financial	116,398	1,888	0.6	Ricardo	96,368	1,039	0.3
General financial – 2.1%				Vesuvius	138,719	927	0.3
Brewin Dolphin	539,170	1,628	0.5	VP	385,773	1,702	0.6
Close Brothers Group	216,133	2,842	1.0	Consumer services – 10.8% (15.7%)			
IG Group	307,221	1,902	0.6	Food & drug retails – 0.6%			
Life insurance – 6.4%				Sainsbury (J)	548,370	1,889	0.6
Aviva	813,702	3,595	1.2	General retailers – 3.3%			
Chesnara	70,000	241	0.1	Halfords Group	350,612	1,580	0.5
Legal & General Group	2,146,880	4,577	1.5	Marks & Spencer Group	538,119	2,503	0.9
Old Mutual	1,530,632	2,594	0.9	Next	69,017	4,255	1.4
Phoenix Group	246,241	1,801	0.6	WH Smith	145,520	1,513	0.5
Resolution	1,003,472	3,484	1.2	Media – 1.6%			
Standard Life	791,506	2,863	0.9	Chime Communications	250,000	851	0.3
Nonlife insurance – 6.2%				ITV	2,019,782	3,961	1.3
Admiral Group	150,129	2,133	0.7	Travel & leisure – 5.3%			
Amlin	465,618	1,965	0.6	Dunelm Group	115,821	1,068	0.4
Beazley Group	701,023	1,783	0.6	Easyjet	139,360	2,255	0.8
Catlin Group	323,944	1,701	0.6	Go-Ahead Group	130,500	2,550	0.9
Direct Line Insurance Group	827,066	2,174	0.7	Greene King	193,557	1,637	0.5
Esure Group	671,861	1,795	0.6	Lookers	600,000	756	0.3
Henderson Group	1,414,985	3,124	1.0	Marston's	1,039,483	1,549	0.5
Hiscox	179,677	1,139	0.4	National Express Group	604,287	1,740	0.6
Lancashire	223,788	1,676	0.6	Spirit Pub	1,200,000	1,005	0.3
Novae Group	194,000	1,101	0.4	TUI Travel	744,814	3,107	1.0
Real estate – 5.7%				Telecommunications – 9.7% (5.7%)			
Big Yellow Group	359,631	1,854	0.6	Fixed line telecommunications – 3.4%			
British Land	394,652	2,585	0.9	BT Group	1,764,060	6,696	2.2
Foxtons Group	851,320	2,894	1.0	Cable & Wireless Communications	4,145,705	2,193	0.7
Hansteen	1,558,441	1,644	0.6	KCOM Group	1,644,324	1,638	0.5
Land Securities Group	193,911	1,980	0.7	Mobile telecommunications – 6.3%			
LondonMetric Property	1,185,028	1,613	0.5	Talk Talk Telecom Group	300,177	921	0.3
LSL Property Services	295,000	1,276	0.4	Vodafone Group	8,056,900	17,862	6.0
Savills	148,789	925	0.3	Basic materials – 7.3% (6.2%)			
Segro	637,154	2,123	0.7	Forestry & paper – 0.6%			
Oil & gas – 13.2% (13.9%)				Mondi	194,117	1,771	0.6
Oil & gas producers – 12.2%				Mining – 6.7%			
BP	3,004,617	14,206	4.8	BHP Billiton	383,665	6,858	2.3
Royal Dutch Shell 'B'	909,918	20,405	6.9	Glencore Xstrata	1,825,500	5,848	2.0
Soco International	430,294	1,760	0.5	Rio Tinto	223,532	7,187	2.4
Oil equipment, services & distribution – 1.0%				Health care – 5.5% (4.2%)			
AMEC	189,878	1,944	0.7	Pharmaceuticals & biotechnology – 5.5%			
Cape	340,000	895	0.3	AstraZeneca	221,700	8,502	2.9
Industrials – 11.8% (9.1%)				GlaxoSmithKline	501,827	7,796	2.6
Aerospace & defence – 1.2%				Consumer goods – 3.8% (7.9%)			
BAE Systems	826,896	3,523	1.2	Beverages – 1.0%			
Construction & materials – 2.4%				Britvic	453,900	3,127	1.0
Galliford Try	253,625	2,972	1.0	Food producers – 0.0%			
Henry Boot	550,000	1,182	0.4	Anglo-Eastern Plantations	7,032	46	-
Kier Group	103,007	1,926	0.7	Household goods – 2.2%			
Morgan Sindall Group	125,000	1,019	0.3	Berkeley Group	129,710	3,309	1.1
Electronics & electrical equipment – 0.3%				Homebuy Group 'A'	58,525	-	-
Morgan Advanced Materials	275,000	837	0.3	Persimmon	251,252	3,211	1.1
General industrials – 0.6%				Tobacco – 0.6%			
Smith (DS)	516,000	1,696	0.6	Dairy Crest Group	329,940	1,674	0.6
Industrial engineering – 1.4%				Utilities – 2.9% (5.3%)			
IMI	148,048	2,191	0.7	Electricity – 0.6%			
Melrose Industries	675,588	2,065	0.7	Drax Group	210,567	1,701	0.6
Industrial transportation – 0.7%				Gas, water & multiutilities – 2.3%			
BBA Aviation	551,958	1,690	0.6	National Grid	860,150	6,756	2.3
UK Mail Group	40,000	266	0.1				
Whitnash Preference†	220,000	-	-				

Portfolio statement – continued

As at 31 January 2014

Investment	Holding	Market value £'000	Total net assets %
Technology – 1.5% (2.2%)			
Software & computer services – 0.8%			
Micro Focus International	303,550	2,242	0.8
Technology hardware & equipment – 0.7%			
Laird Group	620,101	1,994	0.7
Futures – (0.1)% (0.0%)			
FTSE 100 Index Futures Mar 2014	10	(277)	(0.1)
Liquidity funds – 3.0% (1.2%)			
JPM Sterling Liquidity 'X' (Distribution)^\$	9,000,552	9,001	3.0
Investment assets (including investment liabilities)		299,425	100.6
Net other liabilities		(1,808)	(0.6)
Net assets		297,617	100.0

Unless otherwise stated the above securities are admitted to official stock exchange listings or trade on a regulated market.

The comparative percentage figures in brackets are at 31 January 2013.

† Suspended security

^ Deemed to be investment in related parties of the ACD

\$ Approved security as defined in the Collective Investment Scheme sourcebook

Portfolio movements

For the year ending 31 January 2014

	£'000		£'000
Total of all purchases for the year (Note 10)	269,082	Total of all sales for the year (Note 10)	288,382
Major purchases	Cost	Major sales	Proceeds
JPM Sterling Liquidity 'X' (Distribution)^	39,006	JPM Sterling Liquidity 'X' (Distribution)^	33,577
GlaxoSmithKline	13,726	British American Tobacco	10,322
British American Tobacco	11,492	GlaxoSmithKline	10,165
Vodafone Group	8,841	Royal Dutch Shell 'B'	9,327
Royal Dutch Shell 'B'	7,589	BP	7,202
Lloyds Banking Group	7,535	Barclays	6,728
AstraZeneca	7,413	AstraZeneca	6,547
Rio Tinto	6,972	Tesco	6,193
BP	6,876	Standard Chartered	5,946
Glencore Xstrata	6,068	Rio Tinto	5,743
Aviva	3,399	Reckitt Benckiser Group	5,363
Aberdeen Asset Management	3,133	Centrica	5,249
Resolution	3,042	Unilever	5,208
IG Group	2,940	Prudential	5,153
ITV	2,876	SSE	4,775
Electrocomponents	2,788	Imperial Tobacco Group	4,494
Lancashire	2,597	Inmarsat	3,960
Britvic	2,472	RSA Insurance Group	3,812
Inmarsat	2,370	Compass Group	3,326
Bank of Georgia	2,341	WPP	3,166

^ Deemed to be investment in related parties of the ACD

Financial statements

Statement of total return

For the year ending 31 January

	2014	2013
£'000	£'000	£'000
Income		
Net capital gains (Note 1)	27,859	37,243
Revenue (Note 2)	12,499	11,774
Expenses (Note 3)	(4,986)	(4,615)
Finance costs: Interest (Note 5)	(6)	-
Net revenue before taxation	7,507	7,159
Taxation (Note 4)	(5)	1
Net revenue after taxation	7,502	7,160
Total return before distributions	35,361	44,403
Finance costs: Distributions (Note 5)	(11,951)	(11,279)
Change in net assets attributable to shareholders from investment activities	23,410	33,124

Statement of change in net assets attributable to shareholders

For the year ending 31 January

	2014	2013
£'000	£'000	£'000
Opening net assets attributable to shareholders	290,565	272,147
Amounts receivable on issue of shares	625	519
Amounts payable on cancellation of shares	(23,924)	(21,643)
	(23,299)	(21,124)
Change in net assets attributable to shareholders from investment activities (see above)	23,410	33,124
Retained distributions on accumulation shares	6,821	6,288
Stamp duty reserve tax	(17)	(11)
Unclaimed distributions	137	141
Closing net assets attributable to shareholders	297,617	290,565

Balance sheet

As at 31 January

	2014	2013
£'000	£'000	£'000
ASSETS		
Investment assets	299,702	291,178
Debtors (Note 7)	991	2,406
Cash and bank balances (Note 8)	1,198	179
Total other assets	2,189	2,585
Total assets	301,891	293,763
LIABILITIES		
Investment liabilities	(277)	-
Creditors (Note 9)	(1,952)	(1,147)
Distribution payable on income shares	(2,045)	(2,051)
Total other liabilities	(3,997)	(3,198)
Total liabilities	(4,274)	(3,198)
Net assets attributable to shareholders	297,617	290,565

The notes to these financial statements are shown on pages 343 to 344.

Notes to the financial statements for the year ending 31 January 2014

1. Net capital gains

	2014	2013
	£'000	£'000
Currency losses	-	(1)
Derivative contracts	(98)	314
Non-derivative securities	27,957	36,930
Net capital gains	<u>27,859</u>	<u>37,243</u>

2. Revenue

	2014	2013
	£'000	£'000
Franked income from UK equity investments	11,214	11,019
Income from Liquidity funds	10	13
Income from overseas equity investments	827	517
Interest on bank and term deposits	-	1
Property income distributions	275	151
Stock dividends	101	40
Underwriting commission	72	33
Total revenue	<u>12,499</u>	<u>11,774</u>

3. Expenses

	2014	2013
	£'000	£'000
Payable to the ACD or associate of the ACD:		
ACD fee	4,451	4,120
Fixed expenses	535	495
Total expenses	<u>4,986</u>	<u>4,615</u>

4. Taxation

	2014	2013
	£'000	£'000
a) Analysis of charge in the year		
Overseas tax suffered	5	(1)
Current year tax charge (Note 4b)	<u>5</u>	<u>(1)</u>

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	7,507	7,159
Corporation tax at 20%	<u>1,501</u>	<u>1,432</u>
Effects of:		
Dividends not subject to corporation tax	(2,428)	(2,315)
Excess expenses for which no relief taken	927	883
Overseas tax suffered	5	(1)
	<u>(1,496)</u>	<u>(1,433)</u>
Current year tax charge (Note 4a)	<u>5</u>	<u>(1)</u>

No deferred tax asset has been recognised in the financial statements. At the year end date, the Fund had a potential unrecognised deferred tax asset of £26,518,792 (31.01.13: £25,591,792) in relation to £132,593,959 (31.01.13: £127,958,960) 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.

5. Finance costs

Distributions

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

	2014	2013
	£'000	£'000
Interim dividend distribution	6,682	6,212
Final dividend distribution	4,977	4,804
Add: Amounts payable on cancellation of shares	301	270
Deduct: Amounts receivable on issue of shares	(9)	(7)
Net distributions for the year	<u>11,951</u>	<u>11,279</u>

Interest	6	-
Total finance costs	<u>11,957</u>	<u>11,279</u>

Details of the distribution per share are set out on page 345.

6. Movement between net revenue after taxation and distributions

	2014	2013
	£'000	£'000
Net revenue after taxation	7,502	7,160
Add: ACD fee (net of tax relief) paid from capital	4,451	4,120
Add: Undistributed revenue brought forward	2	1
Deduct: Undistributed revenue carried forward	(4)	(2)
	<u>11,951</u>	<u>11,279</u>

7. Debtors

	2014	2013
	£'000	£'000
Accrued income	649	689
Due from the ACD for shares created	108	35
Property income tax recoverable	-	1
Sales awaiting settlement	234	1,681
Total debtors	<u>991</u>	<u>2,406</u>

8. Cash and bank balances

	2014	2013
	£'000	£'000
Amounts held at futures clearing houses and brokers	604	(39)
Cash and bank balances	594	218
Total cash and bank balances	<u>1,198</u>	<u>179</u>

9. Creditors

	2014	2013
	£'000	£'000
Accrued expenses	438	410
Due to the ACD for shares cancelled	322	672
Purchases awaiting settlement	1,192	65
Total creditors	<u>1,952</u>	<u>1,147</u>

Notes to the financial statements – continued

10. Portfolio transaction costs

	2014 £'000	2013 £'000
Analysis of total purchase costs		
Purchases in year before transaction costs	267,707	123,692
Commissions	350	164
Taxes	1,025	468
Total purchase costs	1,375	632
Gross purchases total	269,082	124,324
Analysis of total sale costs		
Gross sales before transaction costs	288,764	143,648
Commissions	(381)	(209)
Taxes	(1)	(1)
Total sale costs	(382)	(210)
Total sales net of transaction costs	288,382	143,438

11. 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 £652,343 (31.01.13: £1,047,301). Details of related party transactions are given under note 13 on page 413.

Investments considered to be related parties have been identified in the portfolio statement on pages 339 to 340 and the revenue from these investments was £10,258 (31.01.13: £12,777).

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 £11,594 (31.01.13: £8,266). Commission was paid to the associated company JPMorgan Securities Ltd.

The gross stocklending income received was £nil (31.01.13: £162), with fees deducted of £nil (31.01.13: £24).

The following parties held a material interest in the Fund at the year end date:

- FNZ (UK) Nominees Limited 21.76% (31.01.13:0.00%)

12. 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, 0.4% (31.01.13: 1.3%) of the Fund's net assets by value were interest bearing, carrying a (fixed/floating) rate.

For consideration of other risks including liquidity, pricing and credit risk, please refer to the notes to the aggregated financial statements, pages 413 to 414.

13. 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 fixed expenses charge are shown below.

	ACD fee	Fixed expenses
Class A shares:	1.50%	0.18%
Class B shares:	1.00%	0.18%
Class C shares:	0.75%	0.18%

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 338. All classes have the same rights on winding up.

14. Derivatives

The Fund enters into derivative transactions in the form of futures for the purpose of efficient portfolio management. The mark to market approach has been used to calculate the global exposure.

Further information on the derivative risks can be found in the notes to the aggregated financial statements on page 414.

15. Contingent liabilities and capital commitments

At the balance sheet date there were no contingent liabilities or capital commitments (2013: none).

Distribution tables

Final distribution in pence per share

Group 1 – Shares purchased prior to 1 August 2013

Group 2 – Shares purchased 1 August 2013 to 31 January 2014

	Gross revenue	Tax at 10%	Net revenue	Equalisation	Distribution payable 30.04.14	Distribution paid 30.04.13
A-Class Accumulation Shares						
Group 1	15.455556	1.545556	13.910000	-	13.910000	12.200000
Group 2	5.812340	0.581234	5.231106	8.678894	13.910000	12.200000
A-Class Income Shares						
Group 1	9.744444	0.974444	8.770000	-	8.770000	8.000000
Group 2	3.185710	0.318571	2.867139	5.902861	8.770000	8.000000
B-Class Accumulation Shares						
Group 1	15.444444	1.544444	13.900000	-	13.900000	-
Group 2	15.444444	1.544444	13.900000	0.000000	13.900000	-
B-Class Income Shares						
Group 1	9.777778	0.977778	8.800000	-	8.800000	8.020000
Group 2	9.777778	0.977778	8.800000	0.000000	8.800000	8.020000
C-Class Accumulation Shares						
Group 1	2.288889	0.228889	2.060000	-	2.060000	1.810000
Group 2	0.164507	0.016451	0.148056	1.911944	2.060000	1.810000
C-Class Income Shares						
Group 1	2.200000	0.220000	1.980000	-	1.980000	1.830000
Group 2	1.107696	0.110770	0.996926	0.983074	1.980000	1.830000

Interim distribution in pence per share

Group 1 – Shares purchased prior to prior to 1 February 2013

Group 2 – Shares purchased 1 February 2013 to 31 July 2013

	Gross revenue	Tax at 10%	Net revenue	Equalisation	Distribution paid 31.10.13	Distribution paid 31.10.12
A-Class Accumulation Shares						
Group 1	19.877778	1.987778	17.890000	-	17.890000	15.050000
Group 2	8.177009	0.817701	7.359308	10.530692	17.890000	15.050000
A-Class Income Shares						
Group 1	12.922222	1.292222	11.630000	-	11.630000	10.090000
Group 2	5.546300	0.554630	4.991670	6.638330	11.630000	10.090000
B-Class Accumulation Shares						
Group 1	19.844444	1.984444	17.860000	-	17.860000	-
Group 2	19.844444	1.984444	17.860000	0.000000	17.860000	-
B-Class Income Shares						
Group 1	12.811111	1.281111	11.530000	-	11.530000	-
Group 2	12.811111	1.281111	11.530000	0.000000	11.530000	-
C-Class Accumulation Shares						
Group 1	2.944444	0.294444	2.650000	-	2.650000	-
Group 2	0.451403	0.045140	0.406263	2.243737	2.650000	-
C-Class Income Shares						
Group 1	2.888889	0.288889	2.600000	-	2.600000	-
Group 2	1.770493	0.177049	1.593444	1.006556	2.600000	-

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 Managed Equity Fund

Investment objective and policy

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 be used for the purpose of Efficient Portfolio Management, including hedging, where appropriate. **Shareholders will receive 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 11.14 for Risk Warnings on derivatives in the Prospectus.

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.

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.

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 UK stock market delivered a strong positive return for the year, supported by accommodative monetary policy and the faster-than-expected domestic economic recovery.

The Fund, which invests in attractively valued, high quality stocks with positive momentum, outperformed its benchmark. At the sector level, the biggest contributor to relative performance was stock selection in banks, while overweight exposure to fixed line telecommunications also contributed positively. Detractors from relative returns included stock selection and an underweight holding in gas, water & multiutilities, as well as an overweight position in food producers.

At the stock level, an overweight holding in BT Group added to relative returns, as the telecommunications services provider won exclusive UK broadcast rights, boosting its standing relative to competitors. Overweight exposure to Lloyds Banking Group also added to relative returns, with strong share price performance supported by rapid expansion in net interest margins. Among detractors from relative performance was not holding Associated British Foods, the food producer and owner of the Primark clothing chain, which gained on a strong rise in full-year sales and profits at Primark. Exposure to Centrica also contributed negatively to relative returns, as shares in the utility company suffered amid speculation that retail prices could be subject to a freeze after the next UK general election in 2015. However, relative returns were boosted by an overweight position in UK high street clothing retailer Next, which raised its full-year profit forecast and announced a special dividend following a strong December trading period.

Fund outlook

The economic backdrop looks set to remain favourable for UK stocks. If the recovery continues to gather momentum, UK companies have the potential to deliver earnings growth this year.

12 month performance as at 31 January

	2014	2013	2012	2011	2010
JPM UK Managed Equity A-Class Acc	12.2%	15.6%	-2.4%	16.9%	26.7%
JPM UK Managed Equity B-Class Acc	12.7%	-	-	-	-
JPM UK Managed Equity C-Class Acc	13.1%	-	-	-	-
Benchmark Index	7.6%	14.8%	0.4%	16.8%	30.4%

Fund statistics

Risk and Reward Profile	6*
Fund size	£280.4m
Benchmark Index	FTSE 100 Index (Net)
Fund charges	
A-Class	Initial 3.00%, Annual 1.50%
B-Class	Initial Nil, Annual 1.00%
C-Class	Initial Nil, Annual 0.75%

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

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

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

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

Source: J.P. Morgan.

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.

The JPMorgan UK Managed Equity Fund, an authorised unit trust, was converted into a new sub-fund of JPMorgan Fund ICVC, an umbrella open-ended investment company, on 1 August 2008.

Top ten holdings (excluding Liquidity funds) %

Vodafone Group	7.7
HSBC	7.4
Royal Dutch Shell 'B'	7.2
BP	7.0
AstraZeneca	4.4
Rio Tinto	4.2
BT Group	3.8
Lloyds Banking Group	3.7
GlaxoSmithKline	3.3
BAE Systems	2.8

Sector breakdown %

Financials	25.7
Oil & gas	15.9
Telecommunications	11.5
Consumer services	10.9
Consumer goods	10.2
Health care	8.7
Basic materials	7.5
Industrials	6.6
Utilities	2.1
Technology	0.6
Liquidity funds	0.1
Net other assets	0.2

Highest/lowest share price and distribution record

Calendar year	Highest share price	Lowest share price	Distribution per share (net)
A-Class Accumulation Shares			
2009	44.44p	28.53p	1.05p
2010	50.33p	40.13p	0.83p
2011	51.58p	41.32p	0.89p
2012	53.22p	45.36p	1.23p
2013	64.40p	53.65p	1.27p
2014 ^A	65.78p	62.65p	0.07p
A-Class Income Shares			
2009	42.09p	27.72p	1.02p
2010	46.82p	37.64p	0.78p
2011	47.92p	37.99p	0.82p
2012	47.43p	40.94p	1.12p
2013	56.19p	47.81p	1.13p
2014 ^A	57.39p	54.66p	0.05p
B-Class Accumulation Shares^B			
2012	53.26p	50.07p	0.38p
2013	64.78p	53.70p	1.57p
2014 ^A	66.18p	63.04p	0.15p
C-Class Accumulation Shares^C			
2012	104.9p	97.15p	0.93p
2013	127.9p	105.8p	3.38p
2014 ^A	130.7p	124.5p	0.37p
C-Class Income Shares^C			
2012	103.9p	97.15p	0.92p
2013	123.2p	104.8p	3.28p
2014 ^A	125.9p	119.9p	0.36p

^A To 31 January 2014.

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

^C C-Class Accumulation Shares and C-Class Income Shares were launched on 20 August 2012.

Portfolio turnover rate

31.01.13	78.8%
31.01.14	69.3%

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

Portfolio transaction costs

	Broker Commissions	Transaction Taxes	Total
31.01.13	0.20%	0.20%	0.40%
31.01.14	0.15%	0.19%	0.34%

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

Stamp duty reserve tax

31.01.13	0.00%
31.01.14	0.01%

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

Net asset values and Ongoing charges

Date	Net asset value per share class £'000	Number of shares	Net asset value per share	Ongoing charges
A-Class Accumulation Shares				
31.01.12	226,644	469,282,408	48.30p	1.68%
31.01.13	241,023	431,735,451	55.83p	1.68%
31.01.14	253,073	404,113,992	62.62p	1.68%
A-Class Income Shares				
31.01.12	24,526	55,778,914	43.97p	1.68%
31.01.13	24,958	50,244,671	49.67p	1.68%
31.01.14	24,711	45,265,372	54.59p	1.68%
B-Class Accumulation Shares				
31.01.13	3	5,000	55.90p	1.18%
31.01.14	61	97,122	63.02p	1.18%
C-Class Accumulation Shares				
31.01.13	92	83,702	110.1p	0.93%
31.01.14	1,868	1,500,877	124.4p	0.93%
C-Class Income Shares				
31.01.13	56	51,395	108.8p	0.93%
31.01.14	648	542,102	119.5p	0.93%

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

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

Portfolio statement

As at 31 January 2014

Investment	Holding	Market value £'000	Total net assets %
Financials – 25.7% (22.8%)			
Banks – 14.1%			
Bank of Georgia	60,147	1,258	0.5
Barclays	2,636,632	7,061	2.5
HSBC	3,350,513	20,743	7.4
Lloyds Banking Group	12,524,492	10,225	3.7
General financial – 1.0%			
3i Group	363,959	1,365	0.5
IG Group	221,272	1,370	0.5
Life insurance – 6.5%			
Aviva	319,827	1,413	0.5
Legal & General Group	1,895,111	4,040	1.4
Old Mutual	857,535	1,454	0.5
Prudential	468,474	5,711	2.0
St James's Place	62,046	469	0.2
Standard Life	1,450,760	5,247	1.9
Nonlife insurance – 2.4%			
Admiral Group	150,423	2,138	0.8
Amlin	273,709	1,155	0.4
Beazley Group	551,949	1,404	0.5
Hiscox	210,472	1,334	0.4
Jardine Lloyd Thompson	68,264	727	0.3
Real estate – 1.7%			
British Land	170,104	1,114	0.4
Foxtons Group	242,668	825	0.3
Land Securities Group	180,156	1,839	0.7
Unite Group	216,674	891	0.3
Oil & gas – 15.9% (16.7%)			
Oil & gas producers – 15.9%			
BG Group	222,320	2,260	0.8
BP	4,132,568	19,539	7.0
Enquest	771,750	1,003	0.4
Royal Dutch Shell 'B'	904,984	20,294	7.2
Soco International	336,629	1,377	0.5
Telecommunications – 11.5% (8.8%)			
Fixed line telecommunications – 3.8%			
BT Group	2,798,279	10,622	3.8
Mobile telecommunications – 7.7%			
Vodafone Group	9,731,382	21,574	7.7
Consumer services – 10.9% (10.6%)			
Food & drug retails – 1.8%			
Sainsbury (J)	1,021,560	3,518	1.3
Tesco	461,846	1,474	0.5
General retailers – 3.3%			
Halfords Group	171,359	772	0.3
Next	114,692	7,071	2.5
WH Smith	137,135	1,426	0.5
Media – 2.2%			
ITV	2,151,418	4,219	1.5
Reed Elsevier	244,960	2,151	0.7
Travel & leisure – 3.6%			
Easyjet	239,799	3,880	1.4
Go-Ahead Group	8,434	165	0.1
Greene King	74,321	629	0.2
International Consolidated Airlines	306,013	1,249	0.5
Playtech	82,243	563	0.2
TUI Travel	833,797	3,478	1.2
Consumer goods – 10.2% (12.0%)			
Automobiles & parts – 1.0%			
GKN	733,056	2,842	1.0
Beverages – 2.5%			
Britvic	199,776	1,376	0.5
Diageo	322,896	5,712	2.0
Food producers – 1.6%			
Cranswick	100,030	1,299	0.4
Greencore Group	488,308	1,216	0.4
Unilever	92,611	2,137	0.8
Household goods – 1.9%			
Barratt Developments	331,495	1,238	0.4
Bellway	21,747	335	0.1
Persimmon	46,905	600	0.2
Reckitt Benckiser Group	41,900	1,878	0.7
Taylor Wimpey	1,228,536	1,367	0.5
Tobacco – 3.2%			
British American Tobacco	206,196	5,998	2.1
Imperial Tobacco Group	132,768	2,955	1.1

Investment	Holding	Market value £'000	Total net assets %
Health care – 8.7% (8.5%)			
Pharmaceuticals & biotechnology – 8.7%			
AstraZeneca	319,375	12,248	4.4
GlaxoSmithKline	591,805	9,194	3.3
Shire	89,617	2,690	1.0
Basic materials – 7.5% (11.6%)			
Forestry & paper – 0.4%			
Mondi	131,503	1,200	0.4
Mining – 7.1%			
BHP Billiton	331,737	5,930	2.1
Glencore Xstrata	714,699	2,290	0.8
Rio Tinto	363,874	11,699	4.2
Industrials – 6.6% (6.6%)			
Aerospace & defence – 3.7%			
BAE Systems	1,848,497	7,875	2.8
Rolls-Royce	213,211	2,488	0.9
Industrial transportation – 0.5%			
Royal Mail	220,306	1,302	0.5
Support services – 2.4%			
Atkins (WS)	99,311	1,345	0.5
Berendsen	145,443	1,335	0.4
Carillion	420,109	1,430	0.5
DCC	50,248	1,388	0.5
Interserve	214,231	1,324	0.5
Utilities – 2.1% (1.3%)			
Electricity – 0.3%			
Drax Group	116,255	939	0.3
Gas, water & multiutilities – 1.8%			
Centrica	1,488,303	4,639	1.7
National Grid	37,611	295	0.1
Technology – 0.6% (0.7%)			
Software & computer services – 0.6%			
Computacenter	84,743	548	0.2
Micro Focus International	161,102	1,190	0.4
Liquidity funds – 0.1% (0.3%)			
JPM Sterling Liquidity 'X' (Distribution) [^] [§]	401,216	401	0.1
Investment assets		279,750	99.8
Net other assets		611	0.2
Net assets		280,361	100.0

Unless otherwise stated the above securities are admitted to official stock exchange listings or trade on a regulated market.

The comparative percentage figures in brackets are at 31 January 2013.

[^] Deemed to be investment in related parties of the ACD

[§] Approved security as defined in the Collective Investment Schemes sourcebook

Portfolio movements

For the year ending 31 January 2014

	£'000		£'000
Total of all purchases for the year (Note 10)	116,731	Total of all sales for the year (Note 10)	128,719
Major purchases	Cost	Major sales	Proceeds
JPM Sterling Liquidity 'X' (Distribution)^	12,755	JPM Sterling Liquidity 'X' (Distribution)^	13,066
Unilever	6,512	Unilever	7,536
Centrica	5,625	GlaxoSmithKline	5,725
Tesco	4,603	Aberdeen Asset Management	3,566
Standard Life	4,464	Rexam	3,525
Reckitt Benckiser Group	3,986	National Grid	3,161
Glencore Xstrata	2,778	Reckitt Benckiser Group	3,017
GKN	2,695	Tesco	2,757
Royal Dutch Shell 'B'	2,645	RSA Insurance Group	2,728
BG Group	2,632	Schroders	2,482
Lloyds Banking Group	2,378	Glencore Xstrata	2,372
Shire	2,229	Sainsbury (J)	2,366
Schroders	2,041	BAE Systems	2,328
Admiral Group	1,981	Barclays	2,165
Old Mutual	1,856	BHP Billiton	2,147
Reed Elsevier	1,842	Royal Dutch Shell 'B'	2,078
Vodafone Group	1,831	HSBC	2,075
Land Securities Group	1,670	BT Group	2,035
Easyjet	1,658	Diageo	2,021
Rolls-Royce	1,438	ITV	1,997

^ Deemed to be investment in related parties of the ACD

Financial statements

Statement of total return

For the year ending 31 January

	2014	2013
£'000	£'000	£'000
Income		
Net capital gains (Note 1)	25,905	30,862
Revenue (Note 2)	10,440	10,019
Expenses (Note 3)	(4,655)	(4,193)
Net revenue before taxation	5,785	5,826
Taxation (Note 4)	(1)	-
Net revenue after taxation	5,784	5,826
Total return before distributions	31,689	36,688
Finance costs: Distributions (Note 5)	(5,773)	(5,854)
Change in net assets attributable to shareholders from investment activities	25,916	30,834

Balance sheet

As at 31 January

	2014	2013
£'000	£'000	£'000
ASSETS		
Investment assets	279,750	265,865
Debtors (Note 7)	1,529	994
Cash and bank balances (Note 8)	126	261
Total other assets	1,655	1,255
Total assets	281,405	267,120
LIABILITIES		
Creditors (Note 9)	(1,019)	(948)
Distribution payable on income shares	(25)	(40)
Total liabilities	(1,044)	(988)
Net assets attributable to shareholders	280,361	266,132

The notes to these financial statements are shown on pages 352 to 353.

Statement of change in net assets attributable to shareholders

For the year ending 31 January

	2014	2013
£'000	£'000	£'000
Opening net assets attributable to shareholders	266,132	251,170
Amounts receivable on issue of shares	5,670	326
Amounts payable on cancellation of shares	(22,507)	(21,396)
	(16,837)	(21,070)
Change in net assets attributable to shareholders from investment activities (see above)	25,916	30,834
Retained distributions on accumulation shares	5,174	5,208
Stamp duty reserve tax	(24)	(10)
Closing net assets attributable to shareholders	280,361	266,132

Notes to the financial statements for the year ending 31 January 2014

1. Net capital gains

	2014	2013
	£'000	£'000
Currency (losses)/gains	(1)	1
Derivative contracts	33	-
Non-derivative securities	25,873	30,861
Net capital gains	<u>25,905</u>	<u>30,862</u>

2. Revenue

	2014	2013
	£'000	£'000
Franked income from UK equity investments	9,948	9,558
Income from Liquidity funds	5	7
Income from overseas equity investments	395	392
Interest on bank and term deposits	1	1
Property income distributions	27	2
Stock dividends	29	46
Underwriting commission	35	13
Total revenue	<u>10,440</u>	<u>10,019</u>

3. Expenses

	2014	2013
	£'000	£'000
Payable to the ACD or associate of the ACD:		
ACD fee	4,156	3,744
Fixed expenses	499	449
Total expenses	<u>4,655</u>	<u>4,193</u>

4. Taxation

	2014	2013
	£'000	£'000
a) Analysis of charge in the year		
Overseas tax suffered	1	-
Current year tax charge (Note 4b)	<u>1</u>	<u>-</u>

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	5,785	5,826
Corporation tax at 20%	<u>1,157</u>	<u>1,165</u>
Effects of:		
Dividends not subject to corporation tax	(2,074)	(1,999)
Excess expenses for which no relief taken	917	834
Overseas tax suffered	1	-
	<u>(1,156)</u>	<u>(1,165)</u>
Current year tax charge (Note 4a)	<u>1</u>	<u>-</u>

No deferred tax asset has been recognised in the financial statements. At the year end date, the Fund had a potential unrecognised deferred tax asset of £5,606,607 (31.01.13: £4,689,142) in relation to £28,033,034 (31.01.13: £23,445,710) 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.

5. Finance costs

Distributions

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

	2014	2013
	£'000	£'000
First interim dividend distribution	2,520	2,137
Second interim dividend distribution	1,183	1,296
Third interim dividend distribution	1,695	1,847
Final dividend distribution	313	473
Add: Amounts payable on cancellation of shares	96	102
Deduct: Amounts receivable on issue of shares	(34)	(1)
Total finance costs	<u>5,773</u>	<u>5,854</u>

Details of the distribution per share are set out on pages 354 to 355.

6. Movement between net revenue after taxation and distributions

	2014	2013
	£'000	£'000
Net revenue after taxation	5,784	5,826
Add: Undistributed revenue brought forward	8	36
Deduct: Undistributed revenue carried forward	(19)	(8)
	<u>5,773</u>	<u>5,854</u>

7. Debtors

	2014	2013
	£'000	£'000
Accrued income	617	563
Due from the ACD for shares created	151	61
Overseas tax recoverable	3	15
Sales awaiting settlement	758	355
Total debtors	<u>1,529</u>	<u>994</u>

8. Cash and bank balances

	2014	2013
	£'000	£'000
Cash and bank balances	<u>126</u>	<u>261</u>

9. Creditors

	2014	2013
	£'000	£'000
Accrued expenses	413	373
Due to the ACD for shares cancelled	606	575
Total creditors	<u>1,019</u>	<u>948</u>

Notes to the financial statements – continued

10. Portfolio transaction costs

	2014 £'000	2013 £'000
Analysis of total purchase costs		
Purchases in year before transaction costs	116,069	119,540
Commissions	179	192
Taxes	483	455
Total purchase costs	662	647
Gross purchases total	116,731	120,187
Analysis of total sale costs		
Gross sales before transaction costs	128,923	136,254
Commissions	(204)	(226)
Total sale costs	(204)	(226)
Total sales net of transaction costs	128,719	136,028

11. 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 £868,969 (31.01.13: £886,406). Details of related party transactions are given under note 13 on page 413.

Investments considered to be related parties have been identified in the portfolio statement on page 349 and the revenue from these investments was £4,664 (31.01.13: £7,193).

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 £30,849 (31.01.13: £22,545). Commission was paid to the associated company JPMorgan Securities Ltd.

The gross stocklending income received was £nil (31.01.13: £3), with fees deducted of £nil (31.01.13: £1).

The following party held a material interest in the Fund at the year end date:

- FNZ (UK) Nominees Limited 56.42% (31.12.13: 56.91%)

12. 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, 0.2% (31.01.13: 0.4%) of the Fund's net assets by value were interest bearing, carrying a (fixed/floating) rate.

For consideration of other risks including liquidity, pricing and credit risk, please refer to the notes to the aggregated financial statements, pages 413 to 414.

13. 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 fixed expenses charge are shown below.

	ACD fee	Fixed expenses
Class A shares:	1.50%	0.18%
Class B shares:	1.00%	0.18%
Class C shares:	0.75%	0.18%

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 348. All classes have the same rights on winding up.

14. Contingent liabilities and capital commitments

At the balance sheet date there were no contingent liabilities or capital commitments (2013: none).

Distribution tables

Final distribution in pence per share

Group 1 – Shares purchased prior to 1 November 2013

Group 2 – Shares purchased 1 November 2013 to 31 January 2014

	Gross revenue	Tax at 10%	Net revenue	Equalisation	Distribution payable 30.04.14	Distribution paid 30.04.13
A-Class Accumulation Shares						
Group 1	0.077778	0.007778	0.070000	-	0.070000	0.100000
Group 2	0.000000	0.000000	0.000000	0.070000	0.070000	0.100000
A-Class Income Shares						
Group 1	0.055556	0.005556	0.050000	-	0.050000	0.080000
Group 2	0.000000	0.000000	0.000000	0.050000	0.050000	0.080000
B-Class Accumulation Shares						
Group 1	0.166667	0.016667	0.150000	-	0.150000	0.170000
Group 2	0.166667	0.016667	0.150000	0.000000	0.150000	0.170000
C-Class Accumulation Shares						
Group 1	0.411111	0.041111	0.370000	-	0.370000	0.380000
Group 2	0.000000	0.000000	0.000000	0.370000	0.370000	0.380000
C-Class Income Shares						
Group 1	0.400000	0.040000	0.360000	-	0.360000	0.380000
Group 2	0.388104	0.038810	0.349294	0.010706	0.360000	0.380000

Third interim distribution in pence per share

Group 1 – Shares purchased prior to 1 August 2013

Group 2 – Shares purchased 1 August 2013 to 31 October 2013

	Gross revenue	Tax at 10%	Net revenue	Equalisation	Distribution paid 31.01.14	Distribution paid 31.01.13
A-Class Accumulation Shares						
Group 1	0.411111	0.041111	0.370000	-	0.370000	0.380000
Group 2	0.011899	0.001190	0.010709	0.359291	0.370000	0.380000
A-Class Income Shares						
Group 1	0.377778	0.037778	0.340000	-	0.340000	0.340000
Group 2	0.110364	0.011036	0.099328	0.240672	0.340000	0.340000
B-Class Accumulation Shares						
Group 1	0.511111	0.051111	0.460000	-	0.460000	0.380000
Group 2	0.511111	0.051111	0.460000	0.000000	0.460000	0.380000
C-Class Accumulation Shares						
Group 1	1.100000	0.110000	0.990000	-	0.990000	0.930000
Group 2	1.100000	0.110000	0.990000	0.000000	0.990000	0.930000
C-Class Income Shares						
Group 1	1.055556	0.105556	0.950000	-	0.950000	0.920000
Group 2	0.176222	0.017622	0.158600	0.791400	0.950000	0.920000

Distribution tables – continued

Second interim distribution in pence per share

Group 1 – Shares purchased prior to 1 May 2013

Group 2 – Shares purchased 1 May 2013 to 31 July 2013

	Gross revenue	Tax at 10%	Net revenue	Equalisation	Distribution paid 31.10.13	Distribution paid 31.10.12
A-Class Accumulation Shares						
Group 1	0.288889	0.028889	0.260000	-	0.260000	0.260000
Group 2	0.051473	0.005147	0.046326	0.213674	0.260000	0.260000
A-Class Income Shares						
Group 1	0.244444	0.024444	0.220000	-	0.220000	0.240000
Group 2	0.046824	0.004682	0.042142	0.177858	0.220000	0.240000
B-Class Accumulation Shares						
Group 1	0.355556	0.035556	0.320000	-	0.320000	-
Group 2	0.355556	0.035556	0.320000	0.000000	0.320000	-
C-Class Accumulation Shares						
Group 1	0.766667	0.076667	0.690000	-	0.690000	-
Group 2	0.640850	0.064085	0.576765	0.113235	0.690000	-
C-Class Income Shares						
Group 1	0.755556	0.075556	0.680000	-	0.680000	-
Group 2	0.687616	0.068762	0.618854	0.061146	0.680000	-

First interim distribution in pence per share

Group 1 – Shares purchased prior to 1 February 2013

Group 2 – Shares purchased 1 February 2013 to 30 April 2013

	Gross revenue	Tax at 10%	Net revenue	Equalisation	Distribution paid 31.07.13	Distribution paid 31.07.12
A-Class Accumulation Shares						
Group 1	0.600000	0.060000	0.540000	-	0.540000	0.420000
Group 2	0.142328	0.014232	0.128096	0.411904	0.540000	0.420000
A-Class Income Shares						
Group 1	0.544444	0.054444	0.490000	-	0.490000	0.380000
Group 2	0.115148	0.011514	0.103634	0.386366	0.490000	0.380000
B-Class Accumulation Shares						
Group 1	0.688888	0.068888	0.620000	-	0.620000	-
Group 2	0.688888	0.068888	0.620000	0.000000	0.620000	-
C-Class Accumulation Shares						
Group 1	1.466666	0.146666	1.320000	-	1.320000	-
Group 2	1.094551	0.109455	0.985096	0.334904	1.320000	-
C-Class Income Shares						
Group 1	1.411111	0.141111	1.270000	-	1.270000	-
Group 2	1.411111	0.141111	1.270000	0.000000	1.270000	-

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 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).

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.

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.

Fund review

The UK stock market delivered a strong positive return for the year, supported by accommodative monetary policy and the faster-than-expected domestic economic recovery.

The Fund, which focuses on stocks underpinned by sound fundamentals and with strong value characteristics, outperformed its benchmark. At the sector level, the biggest contributors to relative performance included stock selection and an overweight position in travel & leisure, as well as stock selection in household goods & home construction. Detractors from relative returns included stock selection and an overweight holding in food & drug retailers, and stock selection in gas, water & multiutilities.

At the stock level, overweight exposure to Thomas Cook boosted relative performance. The UK tour operator reported its first full-year operating profit since 2010 as its three-year recovery plan began to pay off. Overweight exposure to Barratt Developments also added to relative returns, with the UK property developer performing strongly in the final quarter of the year, seeing significant increases in profit margins. Detractors from relative performance included not holding Associated British Foods, the owner of Primark. The food and retail company launched its first Primark store in France, representing a significant new growth opportunity for the group. Not holding National Grid was also detrimental as the electricity provider was supported by its limited exposure to political and regulatory risk relative to its UK peers. However, overweight exposure to easyJet added to relative performance, as the budget airline reported solid passenger volume growth in January and guided for a slight rise in average revenue per seat.

Fund outlook

The economic backdrop looks set to remain favourable for UK stocks. If the recovery continues to gather momentum, UK companies have the potential to deliver earnings growth this year.

12 month performance as at 31 January

	2014	2013	2012	2011	2010
JPM UK Strategic Equity Income					
A-Class Acc	16.5%	18.1%	-3.7%	21.1%	35.2%
JPM UK Strategic Equity Income					
B-Class Inc	17.0%	-	-	-	-
JPM UK Strategic Equity Income					
C-Class Acc	17.4%	-	-	-	-
JPM UK Strategic Equity Income					
I-Class Acc	17.8%	19.3%	-2.7%	22.4%	36.7%
Benchmark Index	10.1%	16.3%	-0.3%	18.1%	33.2%

Fund statistics

Risk and Reward Profile	6*
Fund size	£134.9m
Benchmark Index	FTSE All-Share Index (Net)
Fund charges	
A-Class	Initial 3.00%, Annual 1.50%
B-Class	Initial Nil, Annual 1.00%
C-Class	Initial Nil, Annual 0.75%
I-Class	Initial Nil, Annual 0.60%

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

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

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

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

Source: J.P. Morgan.

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Top ten holdings (excluding Liquidity funds) %

Royal Dutch Shell 'B'	6.7
HSBC	5.9
Vodafone Group	5.6
BP	4.7
GlaxoSmithKline	4.1
AstraZeneca	2.8
Barclays	2.5
Rio Tinto	2.4
Lloyds Banking Group	2.3
BHP Billiton	2.2

Sector breakdown %

Financials	25.8
Consumer services	14.9
Oil & gas	13.0
Industrials	11.5
Telecommunications	8.0
Consumer goods	7.5
Basic materials	7.2
Health care	6.9
Liquidity funds	4.5
Technology	1.8
Utilities	1.7
Net other liabilities	(2.8)

Highest/lowest share price and distribution record

Calendar year	Highest share price	Lowest share price	Distribution per share (net)
A-Class Accumulation Shares			
2009	93.40p	56.14p	2.98p
2010	108.0p	83.77p	2.97p
2011	111.8p	88.80p	3.51p
2012	115.7p	96.99p	4.52p
2013	145.3p	116.6p	4.64p
2014 ^A	148.9p	141.6p	0.68p
A-Class Income Shares			
2009	75.24p	46.42p	2.45p
2010	83.84p	66.01p	2.35p
2011	86.38p	67.32p	2.70p
2012	83.26p	71.32p	3.35p
2013	100.9p	83.92p	3.29p
2014 ^A	103.5p	98.39p	0.48p
B-Class Accumulation Shares^B			
2013	145.6p	122.0p	2.35p
2014 ^A	149.3p	142.0p	0.66p
B-Class Income Shares^C			
2012	83.32p	77.77p	0.86p
2013	101.4p	83.98p	3.27p
2014 ^A	104.0p	98.87p	0.45p
C-Class Accumulation Shares^D			
2012	106.5p	97.29p	1.09p
2013	134.6p	107.3p	4.23p
2014 ^A	138.1p	131.3p	0.63p
C-Class Income Shares^D			
2012	105.3p	97.29p	1.08p
2013	128.6p	106.2p	4.14p
2014 ^A	131.9p	125.5p	0.60p
I-Class Accumulation Shares			
2009	99.40p	59.30p	3.30p
2010	116.2p	89.71p	3.30p
2011	120.5p	96.39p	3.98p
2012	127.2p	106.0p	5.09p
2013	161.4p	128.2p	5.33p
2014 ^A	165.6p	157.5p	0.82p
I-Class Income Shares			
2009	91.82p	56.32p	3.10p
2010	103.4p	81.06p	3.00p
2011	106.6p	83.63p	3.50p
2012	104.6p	89.12p	4.30p
2013	127.9p	105.5p	4.32p
2014 ^A	131.2p	124.8p	0.66p

^A To 31 January 2014.

^B B-Class Accumulation Shares were launched on 27 June 2013.

^C B-Class Income Shares were launched on 29 October 2012.

^D C-Class Accumulation Shares and C-Class Income Shares were launched on 20 August 2012.

Portfolio turnover rate

31.01.13	54.7%
31.01.14	58.1%

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

Portfolio transaction costs

	Broker Commissions	Transaction Taxes	Total
31.01.13	0.18%	0.25%	0.43%
31.01.14	0.13%	0.17%	0.30%

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

Stamp duty reserve tax

31.01.13	0.01%
31.01.14	0.03%

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

Net asset values and Ongoing charges

Date	Net asset value per share class £'000	Number of shares	Net asset value per share	Ongoing charges
A-Class Accumulation Shares				
31.01.12	123,176	119,761,097	102.9p	1.68%
31.01.13	120,835	99,569,745	121.4p	1.68%
31.01.14	117,901	83,321,375	141.5p	1.68%
A-Class Income Shares				
31.01.12	5,606	7,321,103	76.57p	1.68%
31.01.13	7,433	8,557,543	86.86p	1.68%
31.01.14	7,859	8,033,346	97.84p	1.68%
B-Class Accumulation Shares				
31.01.14	10	7,215	141.9p	1.18%
B-Class Income Shares				
31.01.13	3	3,500	86.96p	1.18%
31.01.14	3	3,500	98.34p	1.18%
C-Class Accumulation Shares				
31.01.13	1	1,000	111.7p	0.93%
31.01.14	259	197,314	131.2p	0.93%
C-Class Income Shares				
31.01.13	1	1,000	110.0p	0.93%
31.01.14	219	175,147	124.8p	0.93%
I-Class Accumulation Shares				
31.01.12	4,825	4,307,561	112.0p	0.60%
31.01.13	3,753	2,809,136	133.6p	0.60%
31.01.14	212	134,602	157.1p	0.60%
I-Class Income Shares				
31.01.12	6,588	6,907,625	95.37p	0.60%
31.01.13	7,959	7,290,711	109.2p	0.60%
31.01.14	8,450	6,811,573	124.1p	0.60%

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

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

Portfolio statement

As at 31 January 2014

Investment	Holding	Market value £'000	Total net assets %
Financials - 25.8% (26.1%)			
Banks - 11.1%			
Bank of Georgia	23,700	496	0.4
Barclays	1,282,644	3,435	2.5
HSBC	1,286,050	7,962	5.9
Lloyds Banking Group	3,905,149	3,188	2.3
General financial - 3.6%			
Aberdeen Asset Management	170,681	668	0.5
Ashmore Group	183,903	600	0.5
Close Brothers Group	44,580	586	0.4
ICAP	120,750	468	0.3
IG Group	116,067	718	0.5
Intermediate Capital Group	160,948	662	0.5
Paragon Group of Companies	196,625	707	0.5
Provident Financial	31,500	511	0.4
Life insurance - 6.8%			
Aviva	329,837	1,457	1.1
Legal & General Group	675,694	1,441	1.1
Old Mutual	622,678	1,055	0.8
Prudential	214,162	2,611	1.9
Resolution	198,500	689	0.5
St James's Place	98,486	745	0.6
Standard Life	313,286	1,133	0.8
Nonlife insurance - 4.3%			
Amlin	146,000	616	0.4
Beazley Group	276,283	703	0.5
Catlin Group	126,608	665	0.5
Direct Line Insurance Group	337,831	888	0.7
Esure Group	197,433	527	0.4
Henderson Group	281,600	622	0.5
Hiscox	118,693	752	0.6
Lancashire	71,554	536	0.4
Novae Group	80,000	454	0.3
Consumer services - 14.9% (15.2%)			
Food & drug retails - 1.2%			
Sainsbury (J)	248,002	854	0.7
United Drug	203,704	715	0.5
General retailers - 3.3%			
Dixons Retail	1,559,449	686	0.5
Halfords Group	162,019	730	0.5
Inchcape	131,545	756	0.6
Lookers	350,000	441	0.3
Marks & Spencer Group	231,470	1,077	0.8
WH Smith	72,847	758	0.6
Media - 3.1%			
Chime Communications	156,000	531	0.4
Entertainment One	170,319	527	0.4
Informa	152,130	777	0.6
Johnston Press	400,000	92	0.1
Quindell	1,962,000	584	0.4
Reed Elsevier	150,477	1,321	1.0
Trinity Mirror	200,000	356	0.2
Travel & leisure - 7.3%			
Easyjet	58,451	946	0.7
Enterprise Inns	409,908	641	0.5
First Group	372,641	490	0.4
Go-Ahead Group	37,693	737	0.5
Greene King	89,823	760	0.6
International Consolidated Airlines	293,384	1,197	0.9
Marston's	435,271	649	0.5
Mitchells & Butlers	162,563	726	0.5
National Express Group	263,841	760	0.6
Spirit Pub	700,000	586	0.4
Stagecoach Group	200,364	725	0.5
Thomas Cook Group	484,353	850	0.6
TUI Travel	195,147	814	0.6
Oil & gas - 13.0% (13.1%)			
Oil & gas producers - 11.7%			
BP	1,336,671	6,320	4.7
Ithaca Energy	309,625	418	0.3
Royal Dutch Shell 'B'	403,196	9,042	6.7
Oil equipment, services & distribution - 1.3%			
AMEC	72,302	740	0.6
Cape	100,000	263	0.2
Kentz	108,108	702	0.5

Investment	Holding	Market value £'000	Total net assets %
Industrials - 11.5% (10.9%)			
Aerospace & defence - 1.7%			
BAE Systems	344,646	1,468	1.1
Cobham	286,423	825	0.6
Construction & materials - 2.3%			
Balfour Beatty	235,777	682	0.5
Costain Group	40,000	117	0.1
Galliford Try	57,934	679	0.5
Keller Group	38,300	453	0.3
Kier Group	35,476	663	0.5
Morgan Sindall Group	60,000	489	0.4
Electronics & electrical equipment - 1.0%			
Hellermannntyton Group	191,667	563	0.4
Morgan Advanced Materials	199,092	606	0.4
TT Electronics	125,000	256	0.2
General industrials - 1.6%			
Rexam	149,805	736	0.6
RPC Group	85,477	512	0.4
Smith (DS)	262,146	862	0.6
Industrial metals - 0.2%			
International Ferro Metals	2,000,000	205	0.2
Industrial engineering - 0.4%			
Fenner	148,198	603	0.4
Support services - 4.3%			
Atkins (WS)	52,931	717	0.5
Carillion	215,912	735	0.5
Hays	601,375	803	0.6
Hyder Consulting	70,000	451	0.3
Interserve	113,106	699	0.5
Lavendon Group	310,000	604	0.5
Mitie Group	195,258	618	0.5
Rentokil Initial	687,691	825	0.6
RPS Group	109,685	376	0.3
Telecommunications - 8.0% (7.4%)			
Fixed line telecommunications - 2.4%			
BT Group	677,800	2,573	1.9
KCOM Group	687,043	684	0.5
Mobile telecommunications - 5.6%			
Vodafone Group	3,404,245	7,547	5.6
Consumer goods - 7.5% (5.7%)			
Automobiles & parts - 0.8%			
GKN	282,638	1,096	0.8
Food producers - 1.6%			
Cranswick	56,997	740	0.5
Dairy Crest Group	131,013	665	0.5
Greencore Group	322,302	803	0.6
Household goods - 3.6%			
Barratt Development	247,340	924	0.7
Bellway	48,798	752	0.6
Bovis Homes Group	90,612	738	0.5
Persimmon	65,734	840	0.6
Redrow	220,754	704	0.5
Taylor Wimpey	797,378	887	0.7
Tobacco - 1.5%			
Imperial Tobacco Group	89,900	2,001	1.5
Basic materials - 7.2% (8.0%)			
Chemicals - 0.3%			
Synthomer	157,898	431	0.3
Forestry & paper - 0.5%			
Mondi	66,575	607	0.5
Mining - 6.4%			
BHP Billiton	168,847	3,018	2.2
Ferrexpo	205,600	308	0.2
Glencore Xstrata	687,448	2,202	1.6
Rio Tinto	99,805	3,209	2.4
Health care - 6.9% (6.5%)			
Pharmaceuticals & biotechnology - 6.9%			
AstraZeneca	98,884	3,792	2.8
GlaxoSmithKline	354,993	5,515	4.1

Portfolio statement – continued

As at 31 January 2014

Investment	Holding	Market value £'000	Total net assets %
Technology – 1.8% (1.2%)			
Software & computer services – 1.2%			
Anite	300,000	273	0.2
Computacenter	109,608	709	0.6
Micro Focus International	77,685	574	0.4
Technology hardware & equipment – 0.6%			
Pace	234,512	828	0.6
Utilities – 1.7% (2.3%)			
Electricity – 0.6%			
Drax Group	96,471	779	0.6
Gas, water & multiutilities – 1.1%			
Centrica	496,754	1,548	1.1
Futures – 0.0% (0.0%)			
FTSE 100 Index Futures Mar 2014	23	(29)	-
Liquidity funds – 4.5% (0.1%)			
JPM Sterling Liquidity 'X' (Distribution) [^] [§]	6,000,853	6,001	4.5
Investment assets (including investment liabilities)		138,732	102.8
Net other liabilities		(3,819)	(2.8)
Net assets		134,913	100.0

Unless otherwise stated the above securities are admitted to official stock exchange listings or trade on a regulated market.

The comparative percentage figures in brackets are at 31 January 2013.

[^] Deemed to be investment in related parties of the ACD

[§] Approved security as defined in the Collective Investment Schemes sourcebook

Portfolio movements

For the year ending 31 January 2014

	£'000		£'000
Total of all purchases for the year (Note 10)	64,790	Total of all sales for the year (Note 10)	80,138
Major purchases	Cost	Major sales	Proceeds
JPM Sterling Liquidity 'X' (Distribution)^	25,008	JPM Sterling Liquidity 'X' (Distribution)^	19,007
Royal Dutch Shell 'B'	10,015	JPM UK Smaller Companies 'I' (Accumulation)^	5,835
HSBC	9,487	Standard Chartered	2,664
BP	6,760	BG Group	2,589
Vodafone Group	5,877	Tesco	2,364
GlaxoSmithKline	5,094	Royal Dutch Shell 'B'	1,822
JPM UK Smaller Companies 'I' (Accumulation)^	4,328	SSE	1,387
BHP Billiton	4,049	ITV	1,338
AstraZeneca	3,126	Savills	1,181
Barclays	2,984	Tullett Prebon	1,148
BG Group	2,982	Smiths Group	1,037
Standard Chartered	2,611	London Stock Exchange Group	999
Tesco	2,570	Travis Perkins	967
Rio Tinto	2,063	Royal Bank of Scotland Group	939
Imperial Tobacco Group	1,812	Berendsen	924
Centrica	1,684	Bodycote	895
Glencore Xstrata	1,636	Playtech	884
Lloyds Banking Group	1,607	BHP Billiton	880
Prudential	1,325	Antofagasta	823
Fenner	1,265	BBA Aviation	805

^ Deemed to be investment in related parties of the ACD

Financial statements

Statement of total return

For the year ending 31 January

	£'000	2014 £'000	£'000	2013 £'000
Income				
Net capital gains (Note 1)		18,659		18,864
Revenue (Note 2)	5,123		5,538	
Expenses (Note 3)	(2,197)		(2,100)	
Finance costs: Interest (Note 5)	(9)		-	
Net revenue before taxation	2,917		3,438	
Taxation (Note 4)	(5)		1	
Net revenue after taxation		2,912		3,439
Total return before distributions		21,571		22,303
Finance costs: Distributions (Note 5)		(4,876)		(5,324)
Change in net assets attributable to shareholders from investment activities		16,695		16,979

Statement of change in net assets attributable to shareholders

For the year ending 31 January

	£'000	2014 £'000	£'000	2013 £'000
Opening net assets attributable to shareholders		139,985		140,195
Amounts receivable on issue of shares	7,501		2,942	
Amounts payable on cancellation of shares	(33,446)		(24,752)	
		(25,945)		(21,810)
Change in net assets attributable to shareholders from investment activities (see above)		16,695		16,979
Retained distributions on accumulation shares		4,214		4,629
Stamp duty reserve tax		(43)		(12)
Unclaimed distributions		7		4
Closing net assets attributable to shareholders		134,913		139,985

Balance sheet

As at 31 January

	£'000	2014 £'000	£'000	2013 £'000
ASSETS				
Investment assets		138,761		139,909
Debtors (Note 7)	446		371	
Cash and bank balances (Note 8)	598		96	
Total other assets		1,044		467
Total assets		139,805		140,376
LIABILITIES				
Investment liabilities		(29)		-
Creditors (Note 9)	(4,778)		(302)	
Distribution payable on income shares	(85)		(89)	
Total other liabilities		(4,863)		(391)
Total liabilities		(4,892)		(391)
Net assets attributable to shareholders		134,913		139,985

The notes to these financial statements are shown on pages 363 to 364.

Notes to the financial statements for the year ending 31 January 2014

1. Net capital gains

	2014	2013
	£'000	£'000
Currency gains	1	-
Derivative contracts	138	214
Non-derivative securities	18,520	18,650
Net capital gains	<u>18,659</u>	<u>18,864</u>

2. Revenue

	2014	2013
	£'000	£'000
Distributions from authorised ICVCs	-	41
Franked income from UK equity investments	4,620	5,050
Income from Liquidity funds	10	12
Income from overseas equity investments	333	307
Interest on bank and term deposits	1	1
Management fee rebates	22	25
Property income distributions	-	41
Stock dividends	68	20
Underwriting commission	69	41
Total revenue	<u>5,123</u>	<u>5,538</u>

3. Expenses

	2014	2013
	£'000	£'000
Payable to the ACD or associate of the ACD:		
ACD fee	1,968	1,882
Fixed expenses	229	218
Total expenses	<u>2,197</u>	<u>2,100</u>

4. Taxation

	2014	2013
	£'000	£'000
a) Analysis of charge in the year		
Overseas tax provision	-	(2)
Overseas tax suffered	5	1
Current year tax charge (Note 4b)	<u>5</u>	<u>(1)</u>

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	2,917	3,438
Corporation tax at 20%	<u>583</u>	<u>688</u>

Effects of:

Dividends not subject to corporation tax	(1,004)	(1,084)
Excess expenses for which no relief taken	421	396
Overseas tax provision	-	(2)
Overseas tax suffered	5	1
	<u>(578)</u>	<u>(689)</u>
Current year tax charge (Note 4a)	<u>5</u>	<u>(1)</u>

No deferred tax asset has been recognised in the financial statements. At the year end date, the Fund had a potential unrecognised deferred tax asset of £3,895,075 (31.01.13: £3,474,357) in relation to £19,475,376 (31.01.13: £17,371,783) 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.

5. Finance costs

Distributions

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

	2014	2013
	£'000	£'000
First interim dividend distribution	1,775	1,632
Second interim dividend distribution	1,141	1,372
Third interim dividend distribution	1,221	1,390
Final dividend distribution	654	788
Add: Amounts payable on cancellation of shares	112	164
Deduct: Amounts receivable on issue of shares	(27)	(22)
Net distributions for the year	<u>4,876</u>	<u>5,324</u>

Interest	9	-
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Total finance costs	<u>4,885</u>	<u>5,324</u>
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Details of the distribution per share are set out on pages 365 to 368.

6. Movement between net revenue after taxation and distributions

	2014	2013
	£'000	£'000
Net revenue after taxation	2,912	3,439
Add: ACD fee (net of tax relief) paid from capital	1,967	1,882
Add: Undistributed revenue brought forward	2	5
Deduct: Undistributed revenue carried forward	(5)	(2)
	<u>4,876</u>	<u>5,324</u>

7. Debtors

	2014	2013
	£'000	£'000
Accrued income	322	286
Due from the ACD for shares created	3	3
Overseas tax recoverable	5	7
Sales awaiting settlement	116	75
Total debtors	<u>446</u>	<u>371</u>

8. Cash and bank balances

	2014	2013
	£'000	£'000
Amounts held at futures clearing houses and brokers	308	-
Cash and bank balances	290	96
Total cash and bank balances	<u>598</u>	<u>96</u>

9. Creditors

	2014	2013
	£'000	£'000
Accrued expenses	191	186
Due to the ACD for shares cancelled	191	116
Purchases awaiting settlement	4,396	-
Total creditors	<u>4,778</u>	<u>302</u>

Notes to the financial statements – continued

10. Portfolio transaction costs

	2014 £'000	2013 £'000
Analysis of total purchase costs		
Purchases in year before transaction costs	64,546	55,158
Commissions	59	94
Taxes	185	194
Total purchase costs	244	288
Gross purchases total	64,790	55,446
Analysis of total sale costs		
Gross sales before transaction costs	80,218	73,765
Commissions	(80)	(113)
Total sale costs	(80)	(113)
Total sales net of transaction costs	80,138	73,652

11. 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 £379,386 (31.01.13: £299,045). Details of related party transactions are given under note 13 on page 413.

Investments considered to be related parties have been identified in the portfolio statement on pages 359 to 360 and the revenue from these investments was £9,532 (31.01.13: £47,473).

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 £13,072 (31.01.13: £38,908). 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 27.42% (31.01.13: 28.50%)
- RBC Dexia Investor Services Bank 27.28% (31.01.13: 25.43%)

12. 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, 0.4% (31.01.13: 0.2%) of the Fund's net assets by value were interest bearing, carrying a (fixed/floating) rate.

For consideration of other risks including liquidity, pricing and credit risk, please refer to the notes to the aggregated financial statements, pages 413 to 414.

13. 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 fixed expenses charge are shown below.

	ACD fee	Fixed expenses
Class A shares:	1.50%	0.18%
Class B shares:	1.00%	0.18%
Class C shares:	0.75%	0.18%
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 page 358. All classes have the same rights on winding up.

14. Derivatives

The Fund enters into derivative transactions in the form of futures for the purpose of efficient portfolio management. The positive mark to market approach has been used to calculate the global exposure.

Further information on the derivative risks can be found in the notes to the aggregated financial statements on page 414.

15. Contingent liabilities and capital commitments

At the balance sheet date there were no contingent liabilities or capital commitments (2013: none).

Distribution tables

Final distribution in pence per share

Group 1 – Shares purchased prior to 1 November 2013

Group 2 – Shares purchased 1 November 2013 to 31 January 2014

	Gross revenue	Tax at 10%	Net revenue	Equalisation	Distribution payable 30.04.14	Distribution paid 30.04.13
A-Class Accumulation Shares						
Group 1	0.755556	0.075556	0.680000	-	0.680000	0.680000
Group 2	0.233861	0.023386	0.210475	0.469525	0.680000	0.680000
A-Class Income Shares						
Group 1	0.533333	0.053333	0.480000	-	0.480000	0.480000
Group 2	0.162228	0.016223	0.146005	0.333995	0.480000	0.480000
B-Class Accumulation Shares						
Group 1	0.733333	0.073333	0.660000	-	0.660000	-
Group 2	0.733333	0.073333	0.660000	0.000000	0.660000	-
B-Class Income Shares						
Group 1	0.500000	0.050000	0.450000	-	0.450000	0.480000
Group 2	0.500000	0.050000	0.450000	0.000000	0.450000	0.480000
C-Class Accumulation Shares						
Group 1	0.700000	0.070000	0.630000	-	0.630000	0.600000
Group 2	0.511420	0.051142	0.460278	0.169722	0.630000	0.600000
C-Class Income Shares Shares						
Group 1	0.666667	0.066667	0.600000	-	0.600000	0.590000
Group 2	0.634352	0.063435	0.570917	0.029083	0.600000	0.590000
I-Class Accumulation Shares						
Group 1	0.911111	0.091111	0.820000	-	0.820000	0.790000
Group 2	0.911111	0.091111	0.820000	0.000000	0.820000	0.790000
I-Class Income Shares						
Group 1	0.733333	0.073333	0.660000	-	0.660000	0.650000
Group 2	0.233513	0.023351	0.210162	0.449838	0.660000	0.650000

Distribution tables – continued

Third interim distribution in pence per share

Group 1 – Shares purchased prior to 1 August 2013

Group 2 – Shares purchased 1 August 2013 to 31 October 2013

	Gross revenue	Tax at 10%	Net revenue	Equalisation	Distribution paid 31.01.14	Distribution paid 31.01.13
A-Class Accumulation Shares						
Group 1	1.388889	0.138889	1.250000	-	1.250000	1.170000
Group 2	0.644967	0.064497	0.580470	0.669530	1.250000	1.170000
A-Class Income Shares						
Group 1	0.977778	0.097778	0.880000	-	0.880000	0.860000
Group 2	0.436119	0.043612	0.392507	0.487493	0.880000	0.860000
B-Class Accumulation Shares						
Group 1	1.388889	0.138889	1.250000	-	1.250000	-
Group 2	1.388889	0.138889	1.250000	0.000000	1.250000	-
B-Class Income Shares						
Group 1	0.955556	0.095556	0.860000	-	0.860000	0.860000
Group 2	0.955556	0.095556	0.860000	0.000000	0.860000	0.860000
C-Class Accumulation Shares						
Group 1	1.266667	0.126667	1.140000	-	1.140000	1.090000
Group 2	0.501059	0.050106	0.450953	0.689047	1.140000	1.090000
C-Class Income Shares						
Group 1	1.233333	0.123333	1.110000	-	1.110000	1.080000
Group 2	1.233333	0.123333	1.110000	0.000000	1.110000	1.080000
I-Class Accumulation Shares						
Group 1	1.600000	0.160000	1.440000	-	1.440000	1.330000
Group 2	1.600000	0.160000	1.440000	0.000000	1.440000	1.330000
I-Class Income Shares						
Group 1	1.288889	0.128889	1.160000	-	1.160000	1.110000
Group 2	1.063983	0.106398	0.957585	0.202415	1.160000	1.110000

Distribution tables – continued

Second interim distribution in pence per share

Group 1 – Shares purchased prior to 1 May 2013

Group 2 – Shares purchased 1 May 2013 to 31 July 2013

	Gross revenue	Tax at 10%	Net revenue	Equalisation	Distribution paid 31.10.13	Distribution paid 31.10.12
A-Class Accumulation Shares						
Group 1	1.233333	0.123333	1.110000	-	1.110000	1.140000
Group 2	0.304314	0.030431	0.273883	0.836117	1.110000	1.140000
A-Class Income Shares						
Group 1	0.866667	0.086667	0.780000	-	0.780000	0.830000
Group 2	0.365552	0.036555	0.328997	0.451003	0.780000	0.830000
B-Class Accumulation Shares						
Group 1	1.222222	0.122222	1.100000	-	1.100000	-
Group 2	0.530893	0.053089	0.477804	0.622196	1.100000	-
B-Class Income Shares						
Group 1	0.877778	0.087778	0.790000	-	0.790000	-
Group 2	0.877778	0.087778	0.790000	0.000000	0.790000	-
C-Class Accumulation Shares						
Group 1	1.133333	0.113333	1.020000	-	1.020000	-
Group 2	1.096059	0.109606	0.986453	0.033547	1.020000	-
C-Class Income Shares						
Group 1	1.111111	0.111111	1.000000	-	1.000000	-
Group 2	1.073882	0.107388	0.966494	0.033506	1.000000	-
I-Class Accumulation Shares						
Group 1	1.422222	0.142222	1.280000	-	1.280000	1.290000
Group 2	1.422222	0.142222	1.280000	0.000000	1.280000	1.290000
I-Class Income Shares						
Group 1	1.144444	0.114444	1.030000	-	1.030000	1.080000
Group 2	0.757704	0.075770	0.681934	0.348066	1.030000	1.080000

Distribution tables – continued

First interim distribution in pence per share

Group 1 – Shares purchased prior to 1 February 2013

Group 2 – Shares purchased 1 February 2013 to 30 April 2013

	Gross revenue	Tax at 10%	Net revenue	Equalisation	Distribution paid 31.07.13	Distribution paid 31.07.12
A-Class Accumulation Shares						
Group 1	1.777777	0.177777	1.600000	-	1.600000	1.290000
Group 2	1.446568	0.144656	1.301912	0.298088	1.600000	1.290000
A-Class Income Shares						
Group 1	1.277777	0.127777	1.150000	-	1.150000	0.970000
Group 2	0.841726	0.084172	0.757554	0.392446	1.150000	0.970000
B-Class Income Shares						
Group 1	1.266666	0.126666	1.140000	-	1.140000	-
Group 2	0.951352	0.095135	0.856217	0.283783	1.140000	-
C-Class Accumulation Shares						
Group 1	1.633333	0.163333	1.470000	-	1.470000	-
Group 2	1.633333	0.163333	1.470000	0.000000	1.470000	-
C-Class Income Shares						
Group 1	1.600000	0.160000	1.440000	-	1.440000	-
Group 2	1.600000	0.160000	1.440000	0.000000	1.440000	-
I-Class Accumulation Shares						
Group 1	2.022222	0.202222	1.820000	-	1.820000	1.460000
Group 2	2.022222	0.202222	1.820000	0.000000	1.820000	1.460000
I-Class Income Shares						
Group 1	1.644444	0.164444	1.480000	-	1.480000	1.240000
Group 2	1.644444	0.164444	1.480000	0.000000	1.480000	1.240000

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 Strategic 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 11.14 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.

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.

Fund review

The UK stock market delivered a strong positive return for the year, supported by accommodative monetary policy and the faster-than-expected domestic economic recovery.

The Fund, which focuses on stocks with strong momentum and quality characteristics, outperformed its benchmark. At the sector level, the biggest contributors to relative performance included stock selection in support services, an underweight holding in mining, and stock selection and an overweight position in travel & leisure. Detractors from relative returns included underweight exposure to pharmaceuticals & biotechnology, and stock selection and an underweight holding in gas, water & multiutilities.

At the stock level, positive contributors to relative returns included not holding Anglo American, as shares made gains after the mining company reported improving output at most of its key mines in the fourth quarter of 2014. Overweight exposure to easyJet also added to relative performance, with the budget airline reporting solid passenger volume growth in January and guiding for a slight rise in average revenue per seat. Detractors from

relative returns included an underweight position in GlaxoSmithKline, as the pharmaceuticals company reported a solid set of third-quarter results, despite facing currency headwinds and weakness in China. Underweight exposure to National Grid was also detrimental as the electricity provider was supported by its limited exposure to political and regulatory risk relative to its UK peers. However, overweight exposure to Supergroup was of relative benefit, as the food products manufacturer delivered first-half results that were ahead of expectations.

Fund outlook

The economic backdrop looks set to remain favourable for UK stocks. If the recovery continues to gather momentum, UK companies have the potential to deliver earnings growth this year.

12 month performance as at 31 January

	2014	2013	2012	2011	2010
JPM UK Strategic Growth A-Class Acc	22.1%	20.1%	-4.1%	21.8%	19.1%
JPM UK Strategic Growth B-Class Acc	22.6%	-	-	-	-
JPM UK Strategic Growth C-Class Acc	22.7%	-	-	-	-
Benchmark Index	10.1%	16.3%	-0.3%	18.1%	33.2%

Fund statistics

Risk and Reward Profile	6*
Fund size	£279.7m
Benchmark Index	FTSE All-Share Index (Net)
Fund charges	
A-Class	Initial 3.00%, Annual 1.50%
B-Class	Initial Nil, Annual 1.00%
C-Class	Initial Nil, Annual 0.75%

Top ten holdings (excluding Liquidity funds) %

Vodafone Group	5.6
Royal Dutch Shell 'B'	2.7
Lloyds Banking Group	2.7
AstraZeneca	2.3
Prudential	2.1
BT Group	2.1
HSBC	2.1
Rio Tinto	2.0
BHP Billiton	1.8
Shire	1.6

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 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>

On 31/08/13 JPM UK Equity Fund was merged into this Fund.

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

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

Source: J.P. Morgan.

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Sector breakdown

	%
Financials	24.2
Consumer services	20.9
Industrials	19.4
Consumer goods	9.9
Telecommunications	9.0
Health care	4.7
Basic materials	4.5
Oil & gas	4.2
Technology	2.3
Utilities	0.6
Liquidity funds	0.3
Net other assets	0.0

Highest/lowest share price and distribution record

Calendar year	Highest share price	Lowest share price	Distribution per share (net)
A-Class Accumulation Shares			
2009	62.55p	43.33p	0.00p
2010	73.56p	57.65p	0.81p
2011	77.25p	60.84p	0.42p
2012	79.50p	67.83p	0.77p
2013	103.3p	80.24p	1.25p
2014 ^A	106.9p	101.0p	0.96p
A-Class Income Shares			
2009	62.55p	43.33p	0.00p
2010	72.56p	56.86p	0.81p
2011	75.76p	59.67p	0.41p
2012	77.10p	65.79p	0.75p
2013	98.70p	77.83p	1.22p
2014 ^A	102.1p	96.46p	1.11p
B-Class Accumulation Shares^B			
2012	79.55p	75.47p	-
2013	103.9p	80.32p	1.36p
2014 ^A	107.4p	101.5p	1.87p
C-Class Accumulation Shares^C			
2012	105.6p	98.57p	-
2013	138.1p	106.7p	2.03p
2014 ^A	142.8p	135.0p	1.59p
C-Class Income Shares^C			
2012	105.6p	98.57p	-
2013	135.6p	106.7p	2.04p
2014 ^A	140.2p	132.6p	1.98p

^A To 31 January 2014.

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

^C C-Class Accumulation Shares and C-Class Income Shares were launched on 20 August 2012.

Portfolio turnover rate

31.01.13	131.6%
31.01.14	409.2%

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

Portfolio transaction costs

	Broker Commissions	Transaction Taxes	Total
31.01.13	0.24%	0.44%	0.68%
31.01.14	0.37%	0.45%	0.82%

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

Stamp duty reserve tax

31.01.13	0.00%
31.01.14	0.01%

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

Net asset values and Ongoing charges

Date	Net asset value per share class £'000	Number of shares	Net asset value per share	Ongoing charges
A-Class Accumulation Shares				
31.01.12	2,264	3,265,020	69.34p	1.68%
31.01.13	2,785	3,344,827	83.27p	1.68%
31.01.14	276,836	272,497,495	101.6p	1.68%
A-Class Income Shares				
31.01.12	2,043	3,038,075	67.26p	1.68%
31.01.13	2,416	3,037,391	79.54p	1.68%
31.01.14	589	613,873	95.93p	1.68%
B-Class Accumulation Shares				
31.01.13	3	3,500	83.37p	1.18%
31.01.14	10	10,334	102.2p	1.18%
C-Class Accumulation Shares				
31.01.13	1	1,000	110.7p	0.93%
31.01.14	2,157	1,587,902	135.8p	0.93%
C-Class Income Shares				
31.01.13	1	1,000	108.7p	0.93%
31.01.14	77	58,339	131.4p	0.93%

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

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

Portfolio statement

As at 31 January 2014

Investment	Holding	Market value £'000	Total net assets %
Financials - 24.2% (21.9%)			
Banks - 5.3%			
Bank of Georgia	62,773	1,313	0.5
HSBC	959,765	5,942	2.1
Lloyds Banking Group	9,129,318	7,453	2.7
General financial - 6.3%			
Brewin Dolphin	134,908	407	0.1
Close Brothers Group	145,854	1,918	0.7
Hargreaves Lansdown	162,172	2,394	0.9
Henderson Group	1,109,742	2,450	0.9
IG Group	384,890	2,382	0.9
International Personal Finance	257,885	1,188	0.4
Jupiter Fund Management	496,811	1,835	0.7
London Stock Exchange Group	107,321	1,970	0.7
Provident Financial	64,490	1,046	0.4
Schroders	67,809	1,664	0.6
Life insurance - 5.9%			
Aviva	587,542	2,596	0.9
Chesnara	140,000	483	0.2
Legal & General Group	1,701,736	3,628	1.3
Prudential	491,344	5,990	2.1
Resolution	434,782	1,510	0.5
St James's Place	347,192	2,627	0.9
Nonlife insurance - 2.8%			
Beazley Group	455,586	1,159	0.4
Hiscox	334,382	2,120	0.8
Jardine Lloyd Thompson	212,348	2,262	0.8
Novae Group	125,000	709	0.3
Workspace Group	248,715	1,351	0.5
Real estate - 3.9%			
Big Yellow Group	250,968	1,294	0.5
Countrywide	217,979	1,239	0.4
Foxtons Group	645,868	2,195	0.8
Grainger	473,881	1,016	0.4
Land Securities Group	185,000	1,889	0.7
LSL Property Services	240,000	1,038	0.4
Shaftesbury	177,184	1,112	0.4
St Modwen Properties	241,000	937	0.3
Consumer services - 20.9% (15.7%)			
Food & drug retailers - 1.2%			
Booker Group	536,963	824	0.3
Ocado Group	495,471	2,549	0.9
General retailers - 6.9%			
ASOS	37,100	2,278	0.8
Dixons Retail	2,989,763	1,314	0.5
Halfords Group	453,704	2,044	0.7
Home Retail Group	582,598	1,036	0.4
Inchcape	275,775	1,586	0.6
Lookers	1,192,973	1,503	0.5
Next	57,292	3,532	1.3
Pendragon	3,000,000	1,013	0.4
Savills	148,104	920	0.3
Sports Direct International	172,434	1,148	0.4
Topps Tiles	360,000	544	0.2
WH Smith	219,003	2,278	0.8
Media - 5.4%			
Daily Mail & General Trust 'A'	144,785	1,366	0.5
ITE Group	309,961	853	0.3
ITV	1,636,095	3,208	1.1
Reed Elsevier	303,201	2,662	1.0
Rightmove	96,599	2,412	0.9
Unite Group	350,381	1,440	0.5
WPP	236,500	2,942	1.1
Travel & leisure -- 7.4%			
Compass Group	341,664	3,104	1.1
Dart Group	271,947	697	0.2
Easyjet	179,110	2,898	1.0
Enterprise Inns	898,941	1,406	0.5
Go-Ahead Group	57,640	1,126	0.4
Greene King	147,801	1,250	0.4
International Consolidated Airlines	497,122	2,028	0.7
Merlin Entertainments	260,558	951	0.3
Mitchells & Butlers	210,338	939	0.3
Playtech	133,183	912	0.3
Restaurant Group	372,247	2,258	0.8
Stagecoach Group	188,463	682	0.2
TUI Travel	303,749	1,267	0.5
Whitbread	51,200	1,921	0.7

Investment	Holding	Market value £'000	Total net assets %
Industrials - 19.4% (11.8%)			
Aerospace & defence - 2.7%			
BAE Systems	674,848	2,875	1.0
Derwent London	48,569	1,203	0.4
Rolls-Royce	313,612	3,660	1.3
Construction & materials - 0.9%			
Galliford Try	103,542	1,214	0.4
Keller Group	126,604	1,499	0.5
Electronics & electrical equipment - 0.9%			
Hellermannntyton Group	308,333	906	0.3
Xaar	145,831	1,611	0.6
General industrials - 1.4%			
RPC Group	174,620	1,046	0.4
Smith (DS)	404,279	1,329	0.5
Vesuvius	329,558	1,454	0.5
Industrial engineering - 1.5%			
BBA Aviation	505,076	1,546	0.6
IMI	130,863	1,937	0.7
Renold	220,000	120	0.0
Spirax-Sarco Engineering	20,606	596	0.2
Industrial transportation - 1.2%			
Fisher (James) & Sons	64,230	890	0.3
Royal Mail	259,980	1,537	0.5
UK Mail Group	155,000	1,031	0.4
Support services - 10.8%			
Ashtead Group	359,947	2,797	1.0
Atkins (WS)	175,606	2,378	0.9
Babcock International Group	204,598	2,821	1.0
Berendsen	246,559	2,263	0.8
Capita Group	214,804	2,093	0.7
DCC	46,163	1,275	0.5
Grafton Group Units	352,084	2,007	0.7
Hays	1,897,492	2,535	0.9
Howden Joinery Group	730,184	2,461	0.9
Interserve	156,368	966	0.3
Northgate	125,000	693	0.2
Optimal Payments	563,241	2,233	0.8
Paypoint	54,961	593	0.2
Ricardo	85,000	568	0.2
Robert Walters	180,000	605	0.2
RPS Group	99,716	342	0.1
SIG	465,595	894	0.3
Travis Perkins	105,854	1,816	0.6
Tribal Group	485,000	858	0.3
VP	71,361	475	0.2
Consumer goods - 9.9% (17.6%)			
Automobiles & parts - 0.7%			
GKN	472,994	1,834	0.7
Beverages - 1.0%			
Britvic	390,647	2,692	1.0
Food producers - 2.9%			
Associated British Foods	84,750	2,252	0.8
Greencore Group	904,358	2,252	0.8
Tate & Lyle	3,055	23	0.0
Unilever	163,250	3,768	1.3
Household goods - 4.3%			
Barratt Development	479,740	1,792	0.6
Bellway	99,726	1,538	0.5
Berkeley Group	75,538	1,927	0.7
Crest Nicholson	228,703	829	0.3
Gleeson (M.J.) Group	60,000	241	0.1
Persimmon	142,342	1,819	0.7
Redrow	447,935	1,429	0.5
Taylor Wimpey	2,181,013	2,427	0.9
Personal goods - 1.0%			
Supergroup	120,500	1,841	0.7
Ted Baker	44,414	950	0.3
Telecommunications - 9.0% (7.4%)			
Fixed line telecommunications - 3.4%			
BT Group	1,567,089	5,949	2.1
KCOM Group	842,000	839	0.3
Telecom Plus	144,322	2,733	1.0
Mobile telecommunications - 5.6%			
Vodafone Group	7,038,000	15,603	5.6

Portfolio statement – continued

As at 31 January 2014

Investment	Holding	Market value £'000	Total net assets %
Health care – 4.7% (1.3%)			
Pharmaceuticals & biotechnology – 4.7%			
AstraZeneca	168,850	6,475	2.3
Hikma Pharmaceuticals	181,180	2,180	0.8
Shire	151,157	4,536	1.6
Basic materials – 4.5% (7.7%)			
Chemicals – 0.7%			
Johnson Matthey	57,628	1,852	0.7
Mining – 3.8%			
BHP Billiton	281,240	5,027	1.8
Rio Tinto	174,000	5,594	2.0
Oil & gas – 4.2% (8.1%)			
Oil & gas producers – 4.2%			
Afren	697,000	1,020	0.4
Kentz	326,547	2,119	0.8
Royal Dutch Shell 'B'	335,000	7,512	2.7
Soco International	235,000	961	0.3
Technology – 2.3% (3.7%)			
Software & computer services – 0.8%			
Blinkx	574,050	729	0.3
Computacenter	136,927	886	0.3
Fidessa Group	24,340	565	0.2
Technology hardware & equipment – 1.5%			
CSR	154,870	1,016	0.4
Pace	715,863	2,528	0.9
Sapura	400,000	527	0.2
Utilities – 0.6% (1.5%)			
Electricity – 0.6%			
Drax Group	205,251	1,658	0.6
Liquidity funds – 0.3% (0.0%)			
JPM Sterling Liquidity 'X' (Distribution) [^] [§]	700,956	701	0.3
Investment assets		279,759	100.0
Net other liabilities		(90)	0.0
Net assets		279,669	100.0

Unless otherwise stated the above securities are admitted to official stock exchange listings or trade on a regulated market.

The comparative percentage figures in brackets are at 31 January 2013.

[^] Deemed to be investment in related parties of the ACD

[§] Approved security as defined in the Collective Investment Schemes sourcebook

Portfolio movements

For the year ending 31 January 2014

	£'000		£'000
Total of all purchases for the year (Note 10)	396,018	Total of all sales for the year (Note 10)	145,598
Major purchases	Cost	Major sales	Proceeds
JPM Sterling Liquidity 'X' (Distribution)^	19,102	JPM Sterling Liquidity 'X' (Distribution)^	18,401
Vodafone Group	14,613	GlaxoSmithKline	11,247
GlaxoSmithKline	11,819	JPM UK Smaller Companies 'I' (Accumulation)^	10,652
HSBC	11,620	Barclays	6,005
JPM UK Smaller Companies 'I' (Accumulation)^	10,255	HSBC	5,366
Royal Dutch Shell 'B'	8,131	BG Group	5,084
Lloyds Banking Group	6,954	Thomas Cook Group	3,424
AstraZeneca	6,578	Reckitt Benckiser Group	2,891
Prudential	5,967	Capital & Counties Properties	2,152
BG Group	5,751	3i Group	2,143
Barclays	5,688	Intermediate Capital Group	2,035
Rio Tinto	5,566	Bovis Homes Group	1,821
BHP Billiton	5,427	Compass Group	1,764
BT Group	5,425	Senior	1,753
Compass Group	4,920	Mondi	1,740
Rolls-Royce	4,407	Wetherspoon (J.D.)	1,682
Unilever	4,027	Micro Focus International	1,681
BAE Systems	4,015	Centrica	1,644
Shire	3,739	Dunelm Group	1,634
Legal & General Group	3,299	Brown (N.) Group	1,474

^ Deemed to be investment in related parties of the ACD

Financial statements

Statement of total return

For the year ending 31 January

	£'000	2014 £'000	£'000	2013 £'000
Income				
Net capital gains (Note 1)		24,104		792
Revenue (Note 2)	2,282		156	
Expenses (Note 3)	(1,996)		(78)	
Finance costs: Interest (Note 5)	(3)		-	
Net revenue before taxation	283		78	
Taxation (Note 4)	(4)		-	
Net revenue after taxation		279		78
Total return before distributions		24,383		870
Finance costs: Distributions (Note 5)		(260)		(78)
Change in net assets attributable to shareholders from investment activities		24,123		792

Balance sheet

As at 31 January

	£'000	2014 £'000	£'000	2013 £'000
ASSETS				
Investment assets		279,759		5,189
Debtors (Note 7)	651		13	
Cash and bank balances (Note 8)	235		48	
Total other assets		886		61
Total assets		280,645		5,250
LIABILITIES				
Creditors (Note 9)	(968)		(7)	
Distribution payable on income shares	(8)		(37)	
Total liabilities		(976)		(44)
Net assets attributable to shareholders		279,669		5,206

The notes to these financial statements are shown on pages 375 to 376.

Statement of change in net assets attributable to shareholders

For the year ending 31 January

	£'000	2014 £'000	£'000	2013 £'000
Opening net assets attributable to shareholders		5,206		4,307
Amounts transferred from JPM UK Equity Fund		264,499		-
Amounts receivable on issue of shares	789		97	
Amounts payable on cancellation of shares	(17,583)		(32)	
		(16,794)		65
Change in net assets attributable to shareholders from investment activities (see above)		24,123		792
Retained distributions on accumulation shares		2,642		42
Stamp duty reserve tax		(7)		-
Closing net assets attributable to shareholders		279,669		5,206

Notes to the financial statements for the year ending 31 January 2014

1. Net capital gains

	2014	2013
	£'000	£'000
Currency losses	(1)	-
Derivative contracts	(45)	25
Non-derivative securities	24,150	767
Net capital gains	<u>24,104</u>	<u>792</u>

2. Revenue

	2014	2013
	£'000	£'000
Distributions from authorised ICVCs	-	2
Franked income from UK equity investments	2,044	142
Income from Liquidity funds	3	-
Income from overseas equity investments	94	8
Interest on bank and term deposits	1	-
Management fee rebates	7	1
Property income distributions	53	1
Stock dividends	28	1
Underwriting commission	52	1
Total revenue	<u>2,282</u>	<u>156</u>

3. Expenses

	2014	2013
	£'000	£'000
Payable to the ACD or associate of the ACD:		
ACD fee	1,782	70
Fixed expenses	214	8
Total expenses	<u>1,996</u>	<u>78</u>

4. Taxation

	2014	2013
	£'000	£'000
a) Analysis of charge in the year		
Overseas tax suffered	4	-
Current year tax charge (Note 4b)	<u>4</u>	<u>-</u>
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	283	78
Corporation tax at 20%	<u>57</u>	<u>16</u>
Effects of:		
Dividends not subject to corporation tax	(434)	(31)
Excess expenses for which no relief taken	377	15
Overseas tax suffered	4	-
	<u>(53)</u>	<u>(16)</u>
Current year tax charge (Note 4a)	<u>4</u>	<u>-</u>

No deferred tax asset has been recognised in the financial statements. At the year end date, the Fund had a potential unrecognised deferred tax asset of £428,905 (31.01.13: £52,551) in relation to £2,144,524 (31.01.13: £262,757) 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.

5. Finance costs

Distributions

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

	2014	2013
	£'000	£'000
Final dividend distribution	2,650	79
Add: Amounts payable on cancellation of shares	164	-
Deduct: Amounts receivable on issue of shares	<u>(2,554)</u>	<u>(1)</u>
Net distributions for the year	<u>260</u>	<u>78</u>

Interest	3	-
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Total finance costs	<u>263</u>	<u>78</u>
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Details of the distribution per share are set out on page 377.

6. Movement between net revenue after taxation and distributions

	2014	2013
	£'000	£'000
Net revenue after taxation	279	78
Deduct: Undistributed revenue carried forward	(20)	-
Equalisation on conversions	<u>1</u>	<u>-</u>
	<u>260</u>	<u>78</u>

7. Debtors

	2014	2013
	£'000	£'000
Accrued income	492	11
Due from the ACD for shares created	17	-
Overseas tax recoverable	6	-
Sales awaiting settlement	<u>136</u>	<u>2</u>
Total debtors	<u>651</u>	<u>13</u>

8. Cash and bank balances

	2014	2013
	£'000	£'000
Cash and bank balances	<u>235</u>	<u>48</u>

9. Creditors

	2014	2013
	£'000	£'000
Accrued expenses	411	7
Due to the ACD for shares cancelled	105	-
Purchases awaiting settlement	<u>452</u>	<u>-</u>
Total creditors	<u>968</u>	<u>7</u>

Notes to the financial statements – continued

10. Portfolio transaction costs

	2014 £'000	2013 £'000
Analysis of total purchase costs		
Purchases in year before transaction costs	395,256	3,543
Commissions	221	6
Taxes	541	17
Total purchase costs	762	23
Gross purchases total	396,018	3,566
Analysis of total sale costs		
Gross sales before transaction costs	145,834	3,424
Commissions	(236)	(6)
Total sale costs	(236)	(6)
Total sales net of transaction costs	145,598	3,418

11. 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 £499,432 (31.01.13: £7,305). Details of related party transactions are given under note 13 on page 413.

Investments considered to be related parties have been identified in the portfolio statement on pages 371 to 372 and the revenue from these investments was £3,280 (31.01.13: £1,971).

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 £3,906 (31.01.13: £4,020). 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:

- J.P. Morgan Nominees Ltd 31.17% (31.01.13: 0.00%)
- FNZ (UK) Nominees Limited 15.63% (31.01.13: 0.00%)

12. Financial instruments

Currency exposures

The Fund's financial assets and liabilities are all denominated in Sterling. As a result, the Fund has no material exposure to currency movements.

Interest rate risk

At the year end date, 0.3% (31.01.13: 0.9%) of the Fund's net assets by value were interest bearing, carrying a (fixed/floating) rate.

For consideration of other risks including liquidity, pricing and credit risk, please refer to the notes to the aggregated financial statements, pages 413 to 414.

13. 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 fixed expenses charge are shown below.

	ACD fee	Fixed expenses
Class A shares:	1.50%	0.18%
Class B shares:	1.00%	0.18%
Class C shares:	0.75%	0.18%

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 370. All classes have the same rights on winding up.

14. Derivatives

The Fund enters into derivative transactions in the form of futures for the purpose of efficient portfolio management. The commitment approach has been used to calculate the global exposure.

Further information on the derivative risks can be found in the notes to the aggregated financial statements on page 414.

15. Contingent liabilities and capital commitments

At the balance sheet date there were no contingent liabilities or capital commitments (2013: none).

Distribution table

Final distribution in pence per share

Group 1 – Shares purchased prior to 1 February 2013

Group 2 – Shares purchased 1 February 2013 to 31 January 2014

	Gross revenue	Tax at 10%	Net revenue	Equalisation	Distribution payable 30.04.14	Distribution paid 30.04.13
A-Class Accumulation Shares						
Group 1	1.066667	0.106667	0.960000	-	0.960000	1.250000
Group 2	1.061330	0.106133	0.955197	0.004803	0.960000	1.250000
A-Class Income Shares						
Group 1	1.233333	0.123333	1.110000	-	1.110000	1.220000
Group 2	1.024263	0.102426	0.921837	0.188163	1.110000	1.220000
B-Class Accumulation Shares						
Group 1	2.077778	0.207778	1.870000	-	1.870000	1.360000
Group 2	1.810062	0.181006	1.629056	0.240944	1.870000	1.360000
C-Class Accumulation Shares						
Group 1	1.766667	0.176667	1.590000	-	1.590000	2.030000
Group 2	0.847171	0.084717	0.762454	0.827546	1.590000	2.030000
C-Class Income Shares						
Group 1	2.200000	0.220000	1.980000	-	1.980000	2.040000
Group 2	1.634307	0.163431	1.470876	0.509124	1.980000	2.040000

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.

JPM US Fund

Investment objective and policy

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.

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

Risk profile

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

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

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

US equity markets delivered strong returns in the 12-month period, as tapering concerns were outweighed by the strengthening economic recovery.

The Fund delivered a positive return but underperformed its benchmark for the review period. In terms of relative detractors, the consumer discretionary and the health care sectors were the most significant underperforming sectors. In particular, overweight positions in Best Buy and GameStop in the consumer discretionary space and a lack of exposure to Gilead Sciences in the health care sector detracted. In contrast, stock selection in the industrials and consumer staples sectors helped performance, with overweight positions in Raytheon in the industrial sector and Nu Skin Enterprises in the consumer staple space adding value.

Fund outlook

While acknowledging that markets may remain volatile and not materially rise in the short term, we find no reason to change our constructive view on US equity markets. The economic data thus far has not differed from our expectations heading into the year. We see continued expansion in the US and continued improvement in both Europe and Japan. Even if investors begin to extrapolate the current emerging market concerns into a wider crisis, we do not believe the risk to US markets would be significant. The US economy is mostly driven by domestic consumption and is therefore not dependent on the rest of the world for its growth.

12 month performance as at 31 January

	2014	2013	2012	2011	2010
JPM US					
A-Class Acc	16.6%	13.9%	4.7%	19.1%	14.6%
JPM US					
B-Class Acc	17.2%	-	-	-	-
JPM US					
C-Class Acc	17.4%	-	-	-	-
JPM US					
I-Class Acc	17.8%	15.2%	5.8%	20.0%	15.9%
JPM US					
X-Class Inc	18.5%	15.8%	6.4%	21.0%	17.0%
Benchmark Index	16.9%	15.8%	5.5%	21.9%	19.4%

Fund statistics

Risk and Reward Profile	6*
Fund size	£368.0m
Benchmark Index	S&P 500 Index (Net of 15% withholding tax)
Fund charges	
A-Class	Initial 3.00%, Annual 1.50%
B-Class	Initial Nil, Annual 1.00%
C-Class	Initial Nil, Annual 0.75%
I-Class	Initial Nil, Annual 0.60%
X-Class	On application ^a

Top ten holdings

	%
Microsoft	3.8
Pfizer	3.3
Chevron	3.1
Amgen	2.5
Hewlett Packard	2.5
Boeing	2.4
Viacom 'B' Non-Voting	2.3
Wells Fargo	2.3
Discover Financial Services	2.3
Citigroup	2.2

Sector breakdown

	%
Technology	17.8
Consumer services	16.7
Financials	16.2
Health care	11.3
Industrials	10.1
Oil & gas	9.5
Consumer goods	9.3
Utilities	2.6
Telecommunications	2.6
Basic materials	1.8
Futures	(0.1)
Net other assets	2.2

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

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

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

Source: J.P. Morgan.

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

Highest/lowest share price and distribution record

Calendar year	Highest share price	Lowest share price	Distribution per share (net)
A-Class Accumulation Shares			
2009	364.9p	248.4p	1.61p
2010	417.0p	336.5p	0.33p
2011	444.1p	346.6p	0.00p
2012	472.7p	409.4p	0.00p
2013	593.6p	450.7p	1.11p
2014 ^B	595.8p	560.4p	0.29p
A-Class Income Shares			
2009	50.65p	34.46p	0.26p
2010	57.80p	46.64p	0.07p
2011	61.55p	48.05p	0.00p
2012	65.59p	56.74p	0.00p
2013	82.19p	62.55p	0.13p
2014 ^B	82.49p	77.59p	0.04p
B-Class Accumulation Shares^C			
2012	465.6p	443.3p	-
2013	595.8p	451.2p	1.75p
2014 ^B	599.4p	563.9p	2.98p
C-Class Accumulation Shares^D			
2012	101.4p	95.10p	-
2013	128.0p	96.84p	0.61p
2014 ^B	129.0p	121.3p	0.94p
C-Class Income Shares^D			
2012	101.4p	95.10p	-
2013	127.3p	96.86p	0.59p
2014 ^B	128.3p	120.7p	0.93p
I-Class Accumulation Shares			
2009	106.6p	71.92p	1.36p
2010	122.7p	98.65p	0.74p
2011	131.4p	102.7p	1.08p
2012	141.8p	121.8p	1.23p
2013	179.5p	135.5p	1.80p
2014 ^B	181.0p	170.4p	1.82p
X-Class Income Shares			
2009	101.9p	68.43p	1.64p
2010	116.5p	93.51p	1.17p
2011	123.4p	96.51p	1.59p
2012	132.1p	114.7p	1.77p
2013	164.9p	126.4p	2.34p
2014 ^B	166.8p	156.4p	2.45p

^B To 31 January 2014.

^C B-Class Accumulation Shares were launched on 29 October 2012.

^D C-Class Accumulation Shares and C-Class Income Shares were launched on 20 August 2012.

Portfolio turnover rate

31.01.13	53.4%
31.01.14	93.5%

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

Portfolio transaction costs

	Broker Commissions	Transaction Taxes	Total
31.01.13	0.14%	0.00%	0.14%
31.01.14	0.09%	0.00%	0.09%

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

Stamp duty reserve tax

31.01.13	0.00%
31.01.14	0.00%

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

Net asset values and Ongoing charges

Date	Net asset value per share class £'000	Number of shares	Net asset value per share	Ongoing charges
A-Class Accumulation Shares				
31.01.12	162,146	38,005,166	426.6p	1.68%
31.01.13	204,380	42,025,427	486.3p	1.68%
31.01.14	311,756	54,974,907	567.1p	1.68%
A-Class Income Shares				
31.01.12	3,707	6,269,244	59.13p	1.68%
31.01.13	3,690	5,480,902	67.33p	1.68%
31.01.14	3,926	5,002,535	78.47p	1.68%
B-Class Accumulation Shares				
31.01.13	59	12,207	487.1p	1.18%
31.01.14	1,677	293,900	570.6p	1.18%
C-Class Accumulation Shares				
31.01.13	177	168,929	104.6p	0.93%
31.01.14	41,262	33,602,664	122.8p	0.93%
C-Class Income Shares				
31.01.13	1	1,330	104.0p	0.93%
31.01.14	1,308	1,079,117	121.2p	0.93%
I-Class Accumulation Shares				
31.01.12	6,167	4,856,128	127.0p	0.60%
31.01.13	7,521	5,139,735	146.3p	0.60%
31.01.14	8,003	4,642,450	172.4p	0.60%
X-Class Income Shares				
31.01.12	3,183	2,701,042	117.8p	0.06%
31.01.13	1,887	1,406,395	134.2p	0.06%
31.01.14	89	56,735	156.4p	0.06%

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

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

Portfolio statement

As at 31 January 2014

Investment	Holding	Market value £'000	Total net assets %
Technology - 17.8% (15.4%)			
Software & computer services - 9.2%			
Amdocs	120,300	3,222	0.9
CA Technologies	94,600	1,858	0.5
Computer Sciences	96,300	3,227	0.9
Microsoft	617,900	13,837	3.8
Symantec	260,900	3,546	1.0
Verisign	85,400	3,085	0.8
Yahoo	225,800	4,843	1.3
Technology hardware & equipment - 8.6%			
Apple	6,000	1,820	0.5
Brocade Communications Systems	99,000	571	0.1
Hewlett Packard	518,900	9,218	2.5
KLA-Tencor	79,600	2,982	0.8
Lam Research	91,400	2,846	0.8
Marvell	343,900	3,138	0.8
NetApp	16,700	437	0.1
SanDisk	25,800	1,101	0.3
Seagate Technology	52,600	1,697	0.5
Western Digital	150,100	7,927	2.2
Consumer Services - 16.7% (13.3%)			
Food & drug retailers - 5.0%			
AmerisourceBergen	27,200	1,120	0.3
Herbalife	57,200	2,251	0.6
Kroger	298,100	6,594	1.8
McKesson	26,600	2,864	0.8
Omnicare	87,500	3,322	0.9
Walgreen	60,000	2,087	0.6
General retailers - 5.8%			
Best Buy	207,800	2,867	0.8
Block (H & R)	150,500	2,753	0.7
GameStop 'A'	131,300	2,818	0.8
Home Depot	105,200	4,916	1.3
Lowe's	108,200	3,057	0.8
Macy's	62,650	2,052	0.6
Service Corporation International	259,800	2,773	0.8
Media - 4.2%			
Dun & Bradstreet	19,700	1,328	0.4
Gannett	161,800	2,713	0.7
Graham Holdings	7,600	2,962	0.8
Viacom 'B' Non-Voting	166,800	8,513	2.3
Travel & leisure - 1.7%			
Alaska Air	65,000	3,076	0.8
Southwest Airlines	258,500	3,333	0.9
Financials - 16.2% (15.7%)			
Banks - 4.5%			
Citigroup	279,070	8,188	2.2
Wells Fargo	301,700	8,439	2.3
General financial - 5.5%			
Ameriprise Financial	41,600	2,690	0.7
Discover Financial Services	248,600	8,272	2.3
Goldman Sachs Group	46,600	4,691	1.3
Ocwen Financial	53,100	1,464	0.4
SallieMae	132,300	1,857	0.5
Visa 'A'	8,500	1,141	0.3
Life insurance - 2.1%			
Cigna	56,700	3,018	0.8
Lincoln National	25,000	729	0.2
Prudential Financial	75,700	3,918	1.1
Nonlife insurance - 2.7%			
Allied World Assurance	35,800	2,260	0.6
Allstate	68,000	2,161	0.6
Everest Re Group	31,400	2,825	0.8
RenaissanceRe	47,400	2,676	0.7
Real estate investment trusts - 1.4%			
Extra Space Storage	105,300	2,901	0.8
Hospitality Properties	18,800	295	0.1
RLJ Lodging Trust	7,500	114	-
Ventas	50,300	1,890	0.5

Investment	Holding	Market value £'000	Total net assets %
Health care - 11.3% (11.1%)			
Health care equipment & services - 5.1%			
CareFusion	129,600	3,283	0.9
Medtronic	220,100	7,622	2.1
WellPoint	147,300	7,852	2.1
Pharmaceuticals & biotechnology - 6.2%			
Amgen	127,100	9,328	2.5
Endo Health Solutions	26,000	1,044	0.3
Pfizer	644,700	12,068	3.3
Vertex Pharmaceuticals	7,500	374	0.1
Industrials - 10.1% (11.7%)			
Aerospace & defence - 4.4%			
Boeing	115,000	8,836	2.4
Northrop Grumman	44,400	3,055	0.9
Raytheon	74,200	4,142	1.1
Construction & materials - 0.7%			
AECOM Technology	151,200	2,677	0.7
General industrials - 0.9%			
Greif 'A'	18,500	576	0.1
PCA	30,100	1,170	0.3
Sealed Air	89,900	1,714	0.5
Industrial engineering - 2.9%			
Crane	14,900	579	0.2
Dover	17,300	938	0.2
Idex	68,100	2,995	0.8
Ingersoll Rand	161,400	5,786	1.6
Parker Hannifin	5,000	348	0.1
Industrial transportation - 0.1%			
United Parcel Service 'B'	3,700	215	0.1
Support services - 1.1%			
Alliance Data System	10,300	1,558	0.4
R.R. Donnelley & Sons	231,000	2,630	0.7
Oil & gas - 9.5% (11.3%)			
Oil & gas producers - 8.5%			
Anadarko Petroleum	17,800	881	0.3
Chevron	161,100	11,391	3.1
ConocoPhillips	197,100	7,872	2.1
Devon Energy	5,000	181	0.1
ExxonMobil	20,546	1,173	0.3
Marathon Petroleum	37,800	2,009	0.6
Phillips 66	143,250	6,400	1.7
Tesoro	39,300	1,224	0.3
Oil equipment, services & distribution - 1.0%			
Diamond Offshore Drilling	63,700	1,896	0.5
Schlumberger	12,300	664	0.2
World Fuel Services	44,400	1,170	0.3
Consumer goods - 9.3% (10.1%)			
Automobiles & parts - 0.7%			
Delphi Automotive	67,400	2,497	0.7
Beverages - 1.0%			
Molson Coors Brewing 'B'	85,200	2,784	0.7
PepsiCo	19,800	975	0.3
Food producers - 4.0%			
Archer-Daniels-Midland	309,900	7,439	2.0
Bunge	60,400	2,812	0.8
Pilgrims Pride	295,200	2,810	0.8
Tyson Foods 'A'	75,700	1,585	0.4
Household goods & home construction - 2.6%			
Energizer	48,600	2,806	0.7
Jarden	86,100	3,198	0.9
Scotts Miracle-Gro 'A'	68,700	2,539	0.7
Whirlpool	14,900	1,196	0.3
Personal goods - 0.7%			
Nu Skin Enterprises 'A'	49,200	2,532	0.7
Tobacco - 0.3%			
Reynolds American	36,000	1,062	0.3

Portfolio statement – continued

As at 31 January 2014

Investment	Holding	Market value £'000	Total net assets %
Utilities – 2.6% (2.9%)			
Electricity – 1.4%			
AES	346,200	2,932	0.8
Nextera Energy	27,000	1,492	0.4
Pinnacle West Capital	29,100	923	0.2
Gas, water & multiutilities – 1.2%			
AGL Resources	49,700	1,442	0.4
UGI	111,700	2,876	0.8
Telecommunications – 2.6% (3.2%)			
Fixed line telecommunications – 2.6%			
AT&T	302,800	6,133	1.7
Verizon Communications	120,300	3,480	0.9
Basic materials – 1.8% (2.4%)			
Chemicals – 1.8%			
LyondellBasell Industries	70,700	3,354	0.9
PPG Industries	29,031	3,258	0.9
Futures – (0.1)% (0.0%)			
S&P500 E-Mini Futures Mar 2014	161	(255)	(0.1)
Investment assets (including investment liabilities)		359,804	97.8
Net other assets		8,217	2.2
Net assets		368,021	100.0

Unless otherwise stated the above securities are admitted to official stock exchange listings or trade on a regulated market.

The comparative percentage figures in brackets are at 31 January 2013.

Portfolio movements

For the year ending 31 January 2014

	£'000		£'000
Total of all purchases for the year (Note 10)	306,953	Total of all sales for the year (Note 10)	196,709
Major purchases	Cost	Major sales	Proceeds
Hewlett Packard	9,322	Apple	10,670
Boeing	8,779	ExxonMobil	9,832
WellPoint	7,918	Lilly (Eli) & Co	6,184
Archer-Daniels-Midland	7,393	Honeywell International	5,881
Western Digital	7,287	Macy's	5,475
Microsoft	6,580	Cisco Systems	4,309
Medtronic	6,125	Symantec	4,136
Kroger	6,034	Covidien	3,800
AT&T	5,622	Wal-Mart Stores	3,692
Chevron	5,564	Philip Morris International	3,505
ConocoPhillips	5,560	United Health Group	3,119
Lilly (Eli) & Co	5,166	CenturyLink	2,932
Phillips 66	5,132	Huntington Ingalls Industries	2,758
Viacom 'B' Non-Voting	5,082	Qualcomm	2,694
Best Buy	5,043	General Mills	2,663
Yahoo	5,008	Campbell Soup	2,651
Lowe's	4,310	Marathon Oil	2,602
Cisco Systems	4,289	Lender Processing Services	2,593
Pfizer	4,076	Bemis	2,581
KLA-Tencor	3,648	Brinker International	2,574

Financial statements

Statement of total return

For the year ending 31 January

	2014	2013
£'000	£'000	£'000
Income		
Net capital gains (Note 1)	39,043	25,859
Revenue (Note 2)	6,022	4,244
Expenses (Note 3)	(4,919)	(3,085)
Net revenue before taxation	1,103	1,159
Taxation (Note 4)	(828)	(581)
Net revenue after taxation	275	578
Total return before distributions	39,318	26,437
Finance costs: Distributions (Note 5)	(388)	(574)
Change in net assets attributable to shareholders from investment activities	38,930	25,863

Statement of change in net assets attributable to shareholders

For the year ending 31 January

	2014	2013
£'000	£'000	£'000
Opening net assets attributable to shareholders	217,715	175,203
Amounts receivable on issue of shares	212,165	125,766
Amounts payable on cancellation of shares	(101,358)	(109,677)
	110,807	16,089
Change in net assets attributable to shareholders from investment activities (see above)	38,930	25,863
Retained distributions on accumulation shares	569	560
Closing net assets attributable to shareholders	368,021	217,715

Balance sheet

As at 31 January

	2014	2013
£'000	£'000	£'000
ASSETS		
Investment assets	360,059	211,411
Debtors (Note 7)	7,069	2,053
Cash and bank balances (Note 8)	14,828	6,021
Total other assets	21,897	8,074
Total assets	381,956	219,485
LIABILITIES		
Investment liabilities	(255)	-
Creditors (Note 9)	(13,667)	(1,730)
Distribution payable on income shares	(13)	(40)
Total other liabilities	(13,680)	(1,770)
Total liabilities	(13,935)	(1,770)
Net assets attributable to shareholders	368,021	217,715

The notes to these financial statements are shown on pages 384 to 385.

Notes to the financial statements for the year ending 31 January 2014

1. Net capital gains

	2014	2013
	£'000	£'000
Currency (losses)/gains	(797)	125
Derivative contracts	1,378	297
Non-derivative securities	38,462	25,437
Net capital gains	<u>39,043</u>	<u>25,859</u>

2. Revenue

	2014	2013
	£'000	£'000
Income from overseas equity investments	6,015	4,239
Interest on bank and term deposits	7	5
Total revenue	<u>6,022</u>	<u>4,244</u>

3. Expenses

	2014	2013
	£'000	£'000
Payable to the ACD or associate of the ACD:		
ACD fee	4,387	2,757
Fixed expenses	532	328
Total expenses	<u>4,919</u>	<u>3,085</u>

4. Taxation

	2014	2013
	£'000	£'000
a) Analysis of charge in the year		
Overseas tax suffered	828	581
Current year tax charge (Note 4b)	<u>828</u>	<u>581</u>

b) Factors affecting the tax charge for the year

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

	2014	2013
	£'000	£'000
Net revenue before taxation	1,103	1,159
Corporation tax at 20%	<u>221</u>	<u>232</u>
Effects of:		
Dividends not subject to corporation tax	(1,173)	(835)
Excess expenses for which no relief taken	957	603
Overseas tax suffered	828	581
Overseas tax expensed	(5)	-
	<u>607</u>	<u>349</u>
Current year tax charge (Note 4a)	<u>828</u>	<u>581</u>

No deferred tax asset has been recognised in the financial statements. At the year end date, the Fund had a potential unrecognised deferred tax asset of £2,747,679 (31.01.13: £1,790,547) in relation to £13,738,393 (31.01.13: £8,952,733) 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.

5. Finance costs

Distributions

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

	2014	2013
	£'000	£'000
Final dividend distribution	582	600
Add: Amounts payable on cancellation of shares	94	116
Deduct: Amounts receivable on issue of shares	(288)	(142)
Total finance costs	<u>388</u>	<u>574</u>

Details of the distribution per share are set out on page 386.

6. Movement between net revenue after taxation and distributions

	2014	2013
	£'000	£'000
Net revenue after taxation	275	578
Add: Undistributed revenue brought forward	4	-
Deduct: Undistributed revenue carried forward	(4)	(4)
Equalisation on conversions	113	-
	<u>388</u>	<u>574</u>

7. Debtors

	2014	2013
	£'000	£'000
Accrued income	216	231
Due from the ACD for shares created	6,846	387
Overseas tax recoverable	7	3
Sales awaiting settlement	-	1,432
Total debtors	<u>7,069</u>	<u>2,053</u>

8. Cash and bank balances

	2014	2013
	£'000	£'000
Amounts held at futures clearing houses and brokers	1,123	299
Cash and bank balances	13,705	5,722
Total cash and bank balances	<u>14,828</u>	<u>6,021</u>

9. Creditors

	2014	2013
	£'000	£'000
Accrued expenses	494	290
Due to the ACD for shares cancelled	948	640
Purchases awaiting settlement	12,225	800
Total creditors	<u>13,667</u>	<u>1,730</u>

Notes to the financial statements – continued

10. Portfolio transaction costs

	2014 £'000	2013 £'000
Analysis of total purchase costs		
Purchases in year before transaction costs	306,820	171,843
Commissions	133	103
Total purchase costs	306,953	171,946
Analysis of total sale costs		
Gross sales before transaction costs	196,799	156,893
Commissions	(86)	(84)
Taxes	(4)	(3)
Total sale costs	(90)	(87)
Total sales net of transaction costs	196,709	156,806

11. 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 £5,403,786 (31.01.13: £543,700). Details of related party transactions are given under note 13 on page 413.

The gross stocklending income received was £nil (31.01.13: £167), with fees deducted of £nil (31.01.13: £29).

The following parties held a material interest in the Fund at the year end date:

- Cofunds Nominees Ltd 10.77% (31.01.13: 12.52%)
- Funds Direct Nominees Limited 10.61% (31.01.13: 3.46%)

12. 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.

Currency	Net foreign currency assets		
	Total £'000	Monetary exposures £'000	Non-monetary exposures £'000
31.01.14			
US Dollar	362,624	2,820	359,804
Euro	7	7	-
31.01.13			
US Dollar	218,292	6,881	211,411
Euro	7	7	-

Interest rate risk

At the year end date, 4.0% (31.01.13: 2.8%) of the Fund's net assets by value were interest bearing, carrying a (fixed/floating) rate.

For consideration of other risks including liquidity, pricing and credit risk, please refer to the notes to the aggregated financial statements, pages 413 to 414.

13. 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 fixed expenses charge are shown below.

	ACD fee	Fixed expenses
Class A shares:	1.50%	0.18%
Class B shares:	1.00%	0.18%
Class C shares:	0.75%	0.18%
Class I shares:	0.60%	0.00%
Class X shares:	0.00%	0.06%

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 379. All classes have the same rights on winding up.

14. Derivatives

The Fund enters into derivative transactions in the form of futures for the purpose of efficient portfolio management. The commitment approach has been used to calculate the global exposure.

Further information on the derivative risks can be found in the notes to the aggregated financial statements on page 414.

15. Contingent liabilities and capital commitments

At the balance sheet date there were no contingent liabilities or capital commitments (2013: none).

Distribution table

Final distribution in pence per share

Group 1 – Shares purchased prior to 1 February 2013

Group 2 – Shares purchased 1 February 2013 to 31 January 2014

	Gross revenue	Tax at 10%	Net revenue	Equalisation	Distribution payable 30.04.14	Distribution paid 30.04.13
A-Class Accumulation Shares						
Group 1	0.322222	0.032222	0.290000	-	0.290000	1.110000
Group 2	0.000000	0.000000	0.000000	0.290000	0.290000	1.110000
A-Class Income Shares						
Group 1	0.044444	0.004444	0.040000	-	0.040000	0.130000
Group 2	0.000000	0.000000	0.000000	0.040000	0.040000	0.130000
B-Class Accumulation Shares						
Group 1	3.311111	0.331111	2.980000	-	2.980000	1.750000
Group 2	0.837647	0.083765	0.753882	2.226118	2.980000	1.750000
C-Class Accumulation Shares						
Group 1	1.044444	0.104444	0.940000	-	0.940000	0.610000
Group 2	0.189111	0.018911	0.170200	0.769800	0.940000	0.610000
C-Class Income Shares						
Group 1	1.033333	0.103333	0.930000	-	0.930000	0.590000
Group 2	0.234201	0.023420	0.210781	0.719219	0.930000	0.590000
I-Class Accumulation Shares						
Group 1	2.022222	0.202222	1.820000	-	1.820000	1.800000
Group 2	0.612783	0.061278	0.551505	1.268495	1.820000	1.800000
X-Class Income Shares						
Group 1	2.722222	0.272222	2.450000	-	2.450000	2.340000
Group 2	2.722222	0.272222	2.450000	0.000000	2.450000	2.340000

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 11.14 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.

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 Part 1: Section 1.3 of the Prospectus for more information on Hedged Share Classes.

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

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

Fund review

US equity markets delivered strong returns in the 12-month period, as tapering concerns were outweighed by the strengthening economic recovery.

The Fund delivered a positive return but underperformed its benchmark for the 12-month period. In terms of relative detractors, health care was the most significant underperforming sector. In particular, a lack of exposure to Gilead Sciences and Biogen IDEC negatively impacted relative performance. In contrast, strong stock selection in the financials and materials sectors proved beneficial, with names such as Prudential Financial and Wells Fargo adding value to performance.

Fund outlook

While acknowledging that markets may remain volatile and not materially rise in the short term, we find no reason to change our constructive view on US equity markets. The economic data thus far has not differed from our expectations heading into the year. We see continued expansion in the US and continued improvement in both Europe and Japan. Even if investors begin to extrapolate the current emerging market concerns into a wider crisis, we do not believe the risk to US markets would be significant. The US economy is mostly driven by domestic consumption and is therefore not dependent on the rest of the world for its growth.

12 month performance as at 31 January

	2014	2013	2012	2011	2010
JPM US Equity Income A-Class Acc	14.1%	14.6%	11.0%	20.2%	8.0%
JPM US Equity Income B-Class Inc	14.7%	15.2%	11.5%	20.8%	-
JPM US Equity Income C-Class Inc	15.0%	15.5%	11.9%	21.2%	8.2%
JPM US Equity Income X-Class Acc^A	-	-	-	-	-
Benchmark Index	16.9%	15.8%	5.5%	21.9%	19.4%
JPM US Equity Income A-Class Inc (GBP Hedged)	19.3%	14.4%	10.2%	19.9%	-
JPM US Equity Income C Class Inc (GBP Hedged)	20.0%	-	-	-	-
Hedged Benchmark Index	21.3%	16.1%	3.3%	19.3%	-

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.

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

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

Source: J.P. Morgan.

^A X-Class Accumulation Shares were launched on 11 June 2013, therefore 12 month performance to 31 January is not available.

Fund statistics

Risk and Reward Profile		6*
Fund size	£2,001.2m	
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		
A-Class	Initial 3.00%, Annual 1.50%	
B-Class	Initial Nil, Annual 1.00%	
C-Class	Initial Nil, Annual 0.75%	
X-Class	On application ^b	

Top ten holdings

	%
Wells Fargo	4.4
Johnson & Johnson	3.7
Pfizer	2.9
ConocoPhillips	2.4
ExxonMobil	2.3
Merck & Co	2.2
Occidental Petroleum	2.2
PNC Financial Services Group	2.1
Chevron	2.0
Philip Morris International	1.7

Sector breakdown

	%
Financials	23.7
Industrials	19.2
Health care	13.1
Consumer services	11.9
Oil & gas	10.7
Consumer goods	9.5
Utilities	6.4
Basic materials	2.4
Telecommunications	1.4
Forward currency contracts GBP Hedged share classes	0.0
Net other assets	1.7

The forward exchange contracts are only entered into by the A-Class Income GBP Hedged shares and the C-Class Income GBP Hedged shares.

Highest/lowest share price and distribution record

Calendar year	Highest share price	Lowest share price	Distribution per share (net)
A-Class Accumulation Shares			
2009	58.98p	42.99p	1.18p
2010	70.31p	56.37p	1.66p
2011	74.94p	60.09p	1.69p
2012	82.45p	74.03p	1.94p
2013	103.9p	79.25p	2.34p
2014 ^c	101.8p	97.09p	0.50p
A-Class Income Shares			
2009	57.70p	42.90p	1.15p
2010	66.99p	55.04p	1.59p
2011	69.68p	56.20p	1.60p
2012	75.25p	68.18p	1.79p
2013	92.42p	71.88p	2.10p
2014 ^c	90.12p	85.92p	0.45p
A-Class Income GBP Hedged Shares^d			
2010	65.35p	53.25p	1.15p
2011	70.66p	58.45p	1.62p
2012	76.53p	67.73p	1.79p
2013	93.87p	74.13p	2.08p
2014 ^c	94.15p	90.04p	0.46p
B-Class Accumulation Shares^e			
2011	104.8p	94.69p	-
2012	115.8p	103.5p	2.78p
2013	146.5p	111.4p	3.27p
2014 ^c	144.0p	137.3p	0.72p
B-Class Income Shares^e			
2009	112.3p	83.31p	2.12p
2010	131.0p	107.2p	3.11p
2011	137.0p	110.3p	3.18p
2012	148.5p	134.3p	3.56p
2013	183.1p	142.0p	4.15p
2014 ^c	179.0p	170.7p	0.89p
C-Class Accumulation Shares^g			
2011	102.2p	81.67p	0.68p
2012	113.1p	101.0p	2.73p
2013	143.4p	108.9p	3.20p
2014 ^c	141.0p	134.5p	0.70p
C-Class Income Shares^h			
2009	113.3p	83.86p	2.20p
2010	132.6p	108.2p	3.17p
2011	139.0p	111.7p	3.25p
2012	151.0p	136.3p	3.66p
2013	186.4p	144.4p	4.22p
2014 ^c	182.4p	174.0p	0.91p

* 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>

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

Highest/lowest share price and distribution record (continued)

Calendar year	Highest share price	Lowest share price	Distribution per share
C-Class Income GBP Hedged Shares^d			
2012	103.2p	95.87p	0.62p
2013	127.7p	100.3p	2.82p
2014 ^c	128.0p	122.5p	0.63p
X-Class Accumulation Shares^j			
2013	107.7p	97.30p	0.80p
2014 ^c	106.4p	101.5p	0.56p

^c To 31 January 2014.

^d A-Class Income GBP Hedged Shares were launched on 1 February 2010.

^e B-Class Accumulation Shares were launched on 31 October 2011.

^f B-Class Income Shares were launched on 3 February 2009.

^g C-Class Accumulation Shares were launched on 11 July 2011.

^h C-Class Income Shares were launched on 15 January 2009.

ⁱ C-Class Income GBP Hedged Shares were launched on 20 August 2012.

^j X-Class Accumulation Shares were launched on 11 June 2013.

Portfolio turnover rate

31.01.13	58.4%
31.01.14	52.9%

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

Portfolio transaction costs

	Broker Commissions	Transaction Taxes	Total
31.01.13	0.07%	0.00%	0.07%
31.01.14	0.05%	0.00%	0.05%

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

Stamp duty reserve tax

31.01.13	0.00%
31.01.14	0.00%

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

Net asset values and Ongoing charges

Date	Net asset value per share class £'000	Number of shares	Net asset value per share	Ongoing charges
A-Class Accumulation Shares				
31.01.12	25,917	34,480,452	75.16p	1.68%
31.01.13	208,692	241,734,261	86.33p	1.68%
31.01.14	238,821	242,723,927	98.39p	1.68%
A-Class Income Shares				
31.01.12	234,325	337,430,121	69.44p	1.68%
31.01.13	154,464	198,897,575	77.66p	1.68%
31.01.14	150,638	173,897,830	86.62p	1.68%
A-Class Income GBP Hedged Shares				
31.01.12	30,155	43,398,046	69.49p	1.68%
31.01.13	29,506	38,026,151	77.59p	1.68%
31.01.14	78,123	86,342,242	90.48p	1.68%
B-Class Accumulation Shares				
31.01.12	325	308,621	105.2p	1.15%
31.01.13	2,776	2,285,350	121.5p	1.18%
31.01.14	6,663	4,789,634	139.1p	1.18%
B-Class Income Shares				
31.01.12	10,929	8,000,199	136.6p	1.15%
31.01.13	12,887	8,393,531	153.5p	1.18%
31.01.14	28,520	16,571,846	172.1p	1.18%
C-Class Accumulation Shares				
31.01.12	3,866	3,769,391	102.6p	0.87%
31.01.13	23,348	19,668,169	118.7p	0.93%
31.01.14	173,609	127,376,231	136.3p	0.93%
C-Class Income Shares				
31.01.12	199,202	143,751,880	138.6p	0.87%
31.01.13	718,959	460,496,735	156.1p	0.93%
31.01.14	1,206,770	687,942,970	175.4p	0.93%
C-Class Income GBP Hedged Shares				
31.01.13	25,517	24,297,863	105.0p	0.93%
31.01.14	46,582	37,832,005	123.1p	0.93%
X-Class Accumulation Shares				
31.01.14	71,518	69,538,610	102.9p	0.06%

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

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

Portfolio statement

As at 31 January 2014

Investment	Holding	Market value £'000	Total net assets %
Financials - 23.7% (23.0%)			
Banks - 9.8%			
BB&T	896,950	20,637	1.0
Cullen Frost Bankers	247,360	11,253	0.6
M&T Bank	243,480	16,688	0.8
PNC Financial Services Group	835,490	41,420	2.1
US Bancorp Delaware	746,350	18,188	0.9
Wells Fargo	3,160,100	88,393	4.4
General financial - 5.4%			
Ameriprise Financial	224,880	14,541	0.7
BlackRock 'A'	132,830	24,646	1.2
CME Group 'A'	604,414	27,284	1.4
Northern Trust	612,360	22,735	1.1
T. Rowe Price	422,180	20,397	1.0
Life insurance - 2.3%			
Metlife	659,080	19,929	1.0
Prudential Financial	512,690	26,535	1.3
Nonlife insurance - 5.2%			
Arthur J. Gallagher & Co	632,580	17,890	0.9
Cincinnati Financial	341,839	10,218	0.5
Hartford Financial Services Group	1,132,040	23,212	1.2
The Travelers Companies	669,210	33,478	1.7
Validus	778,020	17,570	0.9
Real estate - 1.0%			
Alexandria Real Estate Equities	188,910	7,949	0.4
AvalonBay Communities	83,810	6,220	0.3
Simon Property Group	64,780	6,017	0.3
Industrials - 19.2% (9.2%)			
Aerospace & defence - 1.5%			
United Technologies	436,720	30,433	1.5
Electronics & electrical equipment - 0.4%			
Emerson Electric	181,110	7,324	0.4
General industrials - 2.3%			
3M	272,190	21,171	1.1
Honeywell International	426,190	23,739	1.2
Industrial engineering - 2.6%			
Illinois Tool Works	446,240	21,491	1.1
Paccar	885,060	30,887	1.5
Industrial transportation - 2.4%			
Norfolk Southern	278,920	15,719	0.8
Union Pacific	87,330	9,355	0.5
United Parcel Service 'B'	378,120	22,012	1.1
Support services - 2.7%			
Accenture 'A'	388,300	19,040	0.9
Automatic Data Processing	373,420	17,535	0.9
Fidelity National Information Services	573,620	18,018	0.9
Software & computer services - 1.1%			
Microsoft	998,130	22,352	1.1
Technology hardware & equipment - 6.2%			
Analog Devices	669,590	19,882	1.0
Apple	110,930	33,641	1.7
KLA-Tencor	580,630	21,755	1.1
Qualcomm	319,510	14,229	0.7
Texas Instruments	623,160	16,159	0.8
Xilinx	634,600	18,032	0.9
Health care - 13.1% (11.0%)			
Health care equipment & services - 1.9%			
Baxter International	415,660	17,491	0.9
Becton Dickinson & Co	308,760	20,254	1.0
Pharmaceuticals & biotechnology - 11.2%			
AbbVie	607,920	17,839	0.9
Bristol-Myers Squibb	965,100	29,599	1.5
Johnson & Johnson	1,366,040	74,271	3.7
Merck & Co	1,333,230	43,360	2.2
Pfizer	3,060,283	57,284	2.9

Investment	Holding	Market value £'000	Total net assets %
Consumer services - 11.9% (13.3%)			
General retailers - 4.4%			
Gap	682,670	15,777	0.8
Home Depot	468,240	21,882	1.1
L Brands	557,130	17,821	0.9
Macy's	329,870	10,804	0.5
Tiffany & Co	145,980	7,420	0.4
Williams-Sonoma	421,719	13,582	0.7
Media - 4.7%			
Comcast 'A' (Special)	561,230	17,802	0.9
McGraw-Hill	327,990	15,294	0.8
Omnicom Group	485,590	21,817	1.1
Time Warner	646,350	24,925	1.2
Time Warner Cable	164,750	13,429	0.7
Travel & leisure - 2.8%			
Brinker International	429,310	12,655	0.6
Cinemark	605,920	10,834	0.5
Dunkin Brands	337,171	9,464	0.5
McDonald's	160,180	9,128	0.5
Yum Brands	366,350	14,824	0.7
Oil & gas - 10.7% (12.0%)			
Oil & gas producers - 9.8%			
Chevron	575,340	40,681	2.0
ConocoPhillips	1,213,990	48,487	2.4
ExxonMobil	812,620	46,399	2.3
Marathon Petroleum	350,880	18,649	0.9
Occidental Petroleum	807,500	43,310	2.2
Oil equipment, services & distribution - 0.9%			
Kinder Morgan	391,130	8,153	0.4
Williams Companies	410,450	10,007	0.5
Consumer goods - 9.5% (10.3%)			
Automobiles & parts - 0.9%			
Genuine Parts	375,050	18,696	0.9
Beverages - 1.0%			
Coca-Cola	901,560	20,913	1.0
Food producers - 2.0%			
Hershey	227,572	13,718	0.7
Mondelez International	892,210	17,845	0.9
Smucker (J.M.)	136,450	8,114	0.4
Household goods - 2.2%			
Procter & Gamble	632,530	29,533	1.5
Snap-On	112,131	6,862	0.3
Tupperware Brands	178,220	8,578	0.4
Personal goods - 0.9%			
VF	508,620	18,352	0.9
Tobacco - 2.5%			
Lorrillard	516,260	15,432	0.8
Philip Morris International	721,410	34,656	1.7
Utilities - 6.4% (5.6%)			
Electricity - 4.0%			
CMS Energy	713,390	11,806	0.6
DTE ENERGY	218,770	8,942	0.4
Edison International	824,550	24,021	1.2
Nextera Energy	419,190	23,164	1.2
Xcel Energy	655,850	11,440	0.6
Gas, water & multiutilities - 2.4%			
Nisource	1,032,630	21,481	1.1
Sempra Energy	479,000	26,625	1.3
Basic materials - 2.4% (3.0%)			
Chemicals - 2.4%			
Air Products & Chemicals	345,700	22,242	1.1
Du Pont de Nemours	382,810	14,308	0.7
PPG Industries	104,290	11,704	0.6
Telecommunications - 1.4% (4.1%)			
Fixed line telecommunications - 1.4%			
Verizon Communications	989,710	28,628	1.4

Portfolio statement – continued

As at 31 January 2014

Investment	Holding	Market value £'000	Total net assets %
Forward currency contracts GBP Hedged share classes – 0.0% ((0.1)%)			
Buy \$5,852,385 sell £3,535,522 dated 06/03/14		21	-
Buy \$1,334,280 sell £808,908 dated 07/02/14		2	-
Buy \$3,134 sell £1,894 dated 07/02/14		-	-
Buy \$112,584 sell £67,927 dated 06/03/14		-	-
Buy \$2,564,641 sell £1,564,989 dated 07/02/14		(7)	-
Buy \$213,472,183 sell £129,762,425 dated 07/02/14		(64)	-
Sell \$209,015,929 buy £127,076,959 dated 06/03/14		62	-
Sell \$2,667,142 buy £1,630,114 dated 07/02/14		9	-
Sell \$2,463,876 buy £1,503,523 dated 07/02/14		7	-
Sell \$1,459,293 buy £886,404 dated 07/02/14		-	-
Sell \$383,283 buy £232,286 dated 06/03/14		(1)	-
Sell \$599,458 buy £362,439 dated 06/03/14		(2)	-
Sell \$211,160,961 buy £128,118,177 dated 07/02/14		(175)	-
Investment assets (including investment liabilities)		1,968,128	98.3
Net other assets		33,116	1.7
Net assets		2,001,244	100.0

Unless otherwise stated the above securities are admitted to official stock exchange listings or trade on a regulated market.

The comparative percentage figures in brackets are at 31 January 2013.

The forward exchange contracts are only entered into by the A-Class Income GBP Hedged shares and the C-Class Income GBP Hedged shares.

Counterparty exposure

Counterparty	Forward currency contracts £'000	Total £'000
Barclays	5	5
CitiBank	2	2
Credit Suisse	(6)	(6)
Deutsche Bank	(1)	(1)
Goldman Sachs	0	0
HSBC	1	1
Morgan Stanley	(174)	(174)
Societe Generale	2	2
State Street	0	0
UBS	11	11
Westpac Banking Corp	12	12

At the balance sheet date, there was no collateral received by the fund from the above counterparties.

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.

Portfolio movements

For the year ending 31 January 2014

	£'000		£'000
Total of all purchases for the year (Note 10)	1,116,702	Total of all sales for the year (Note 10)	477,360
Major purchases	Cost	Major sales	Proceeds
Johnson & Johnson	55,944	Merck & Co	20,435
PNC Financial Services Group	37,352	Marathon Petroleum	17,647
Wells Fargo	30,497	AT&T	16,332
Bristol-Myers Squibb	28,282	Prudential Financial	16,062
ExxonMobil	27,174	BlackRock 'A'	14,878
Apple	26,433	Emerson Electric	14,412
Philip Morris International	25,834	Linear Technology	13,703
Occidental Petroleum	24,609	Nordstrom	13,328
Xcel Energy	24,490	Home Depot	13,084
Edison International	24,018	Republic Services	12,767
ConocoPhillips	23,720	Williams Companies	12,262
Chevron	23,409	Lorillard	11,903
Procter & Gamble	23,189	Xcel Energy	11,850
Omnicom Group	20,265	Molex	11,727
Metlife	19,551	NV Energy	11,220
Illinois Tool Works	19,309	TJX Companies	11,164
Paccar	19,115	PPG Industries	10,849
Merck & Co	18,945	Microsoft	10,730
Pfizer	18,875	Verizon Communications	9,806
Qualcomm	17,320	L Brands	9,784

Financial statements

Statement of total return

For the year ending 31 January

	2014	2013
£'000	£'000	£'000
Income		
Net capital gains (Note 1)	170,541	115,234
Revenue (Note 2)	45,828	28,499
Expenses (Note 3)	(19,126)	(10,518)
Net revenue before taxation	26,702	17,981
Taxation (Note 4)	(6,508)	(4,127)
Net revenue after taxation	20,194	13,854
Total return before distributions	190,735	129,088
Finance costs: Distributions (Note 5)	(36,317)	(23,059)
Change in net assets attributable to shareholders from investment activities	154,418	106,029

Statement of change in net assets attributable to shareholders

For the year ending 31 January

	2014	2013
£'000	£'000	£'000
Opening net assets attributable to shareholders	1,176,149	504,719
Amounts receivable on issue of shares	785,613	850,950
Amounts payable on cancellation of shares	(123,630)	(289,473)
	661,983	561,477
Change in net assets attributable to shareholders from investment activities (see above)	154,418	106,029
Retained distributions on accumulation shares	8,694	3,924
Closing net assets attributable to shareholders	2,001,244	1,176,149

Balance sheet

As at 31 January

	2014	2013
£'000	£'000	£'000
ASSETS		
Investment assets	1,968,377	1,162,771
Debtors (Note 7)	29,121	9,967
Cash and bank balances (Note 8)	34,846	21,678
Total other assets	63,967	31,645
Total assets	2,032,344	1,194,416
LIABILITIES		
Investment liabilities	(249)	(1,381)
Creditors (Note 9)	(23,025)	(9,103)
Distribution payable on income shares	(7,826)	(7,783)
Total other liabilities	(30,851)	(16,886)
Total liabilities	(31,100)	(18,267)
Net assets attributable to shareholders	2,001,244	1,176,149

The notes to these financial statements are shown on pages 394 to 395.

Notes to the financial statements for the year ending 31 January 2014

1. Net capital gains

	2014	2013
	£'000	£'000
Currency losses	(2,746)	(55)
Forward currency contracts	7,077	(678)
Non-derivative securities	166,210	115,967
Net capital gains	<u>170,541</u>	<u>115,234</u>

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

2. Revenue

	2014	2013
	£'000	£'000
Income from overseas equity investments	45,788	28,483
Interest on bank and term deposits	40	16
Total revenue	<u>45,828</u>	<u>28,499</u>

3. Expenses

	2014	2013
	£'000	£'000
Payable to the ACD or associate of the ACD:		
ACD fee	16,143	9,207
Fixed expenses	2,983	1,311
Total expenses	<u>19,126</u>	<u>10,518</u>

4. Taxation

	2014	2013
	£'000	£'000
a) Analysis of charge in the year		
Overseas tax suffered	6,508	4,127
Current year tax charge (Note 4b)	<u>6,508</u>	<u>4,127</u>

b) Factors affecting the tax charge for the year

The tax assessed for the year is higher 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	26,702	17,981
Corporation tax at 20%	<u>5,340</u>	<u>3,596</u>

Effects of:

Dividends not subject to corporation tax	(9,118)	(5,592)
Excess expenses for which no relief taken	3,778	1,996
Overseas tax suffered	6,508	4,127
	<u>1,168</u>	<u>531</u>
Current year tax charge (Note 4a)	<u>6,508</u>	<u>4,127</u>

No deferred tax asset has been recognised in the financial statements. At the year end date, the Fund had a potential unrecognised deferred tax asset of £7,181,202 (31.01.13: £3,403,165) in relation to £35,906,012 (31.01.13: £17,015,823) 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.

5. Finance costs

Distributions

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

	2014	2013
	£'000	£'000
First interim dividend distribution	8,183	4,415
Second interim dividend distribution	9,723	5,186
Third interim dividend distribution	10,280	6,012
Final dividend distribution	10,355	9,711
Add: Amounts payable on cancellation of shares	456	429
Deduct: Amounts receivable on issue of shares	<u>(2,680)</u>	<u>(2,694)</u>
Total finance costs	<u>36,317</u>	<u>23,059</u>

Details of the distribution per share are set out on pages 396 to 399.

6. Movement between net revenue after taxation and distributions

	2014	2013
	£'000	£'000
Net revenue after taxation	20,194	13,854
Add: ACD fee (net of tax relief) paid from capital	16,143	9,207
Add: Undistributed revenue brought forward	46	44
Deduct: Undistributed revenue carried forward	(68)	(46)
Equalisation on conversions	2	-
	<u>36,317</u>	<u>23,059</u>

7. Debtors

	2014	2013
	£'000	£'000
Accrued income	1,442	1,473
Due from the ACD for shares created	19,869	6,074
Sales awaiting settlement	7,810	2,420
Total debtors	<u>29,121</u>	<u>9,967</u>

8. Cash and bank balances

	2014	2013
	£'000	£'000
Cash and bank balances	<u>34,846</u>	<u>21,678</u>

9. Creditors

	2014	2013
	£'000	£'000
Accrued expenses	1,851	1,127
Due to the ACD for shares cancelled	1,136	7,976
Purchases awaiting settlement	20,038	-
Total creditors	<u>23,025</u>	<u>9,103</u>

Notes to the financial statements – continued

10. Portfolio transaction costs

	2014 £'000	2013 £'000
Analysis of total purchase costs		
Purchases in year before transaction costs	1,116,290	818,457
Commissions	412	386
Total purchase costs	412	386
Gross purchases total	1,116,702	818,843
Analysis of total sale costs		
Gross sales before transaction costs	477,583	262,143
Commissions	(214)	(151)
Taxes	(9)	(5)
Total sale costs	(223)	(156)
Total sales net of transaction costs	477,360	261,987

11. 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 £16,881,947 (31.01.13: £3,028,801). Details of related party transactions are given under note 13 on page 413.

Some of the dealing transactions for the Fund are carried out through associates of the Manager. Such transactions are carried out on an arm's length basis. The commissions paid to these companies over the period were £nil (31.01.13: £nil).

The following party held a material interest in the Fund at the year end date:

– Cofunds Nominees Limited 10.83% (31.01.13: 2.32%)

12. 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.

Currency	Total £'000	Net foreign currency assets/(liabilities)		Non- monetary exposures £'000
		Forward exchange contracts £'000	Monetary exposures £'000	
31.01.14				
US Dollar	1,868,120	(124,216)	24,060	1,968,276
31.01.13				
US Dollar	1,131,620	(56,962)	25,836	1,162,746

The forward exchange contracts are only entered into by the A-Class Income GBP Hedged shares and the C-Class Income GBP Hedged shares.

Interest rate risk

At the year end date, 1.7% (31.01.13: 1.8%) of the Fund's net assets by value were interest bearing, carrying a (fixed/floating) rate.

For consideration of other risks including liquidity, pricing and credit risk, please refer to the notes to the aggregated financial statements, pages 413 to 414.

13. 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 fixed expenses charge are shown below.

	ACD fee	Fixed expenses
Class A shares:	1.50%	0.18%
Class B shares:	1.00%	0.18%
Class C shares:	0.75%	0.18%
Class X shares:	0.00%	0.06%

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 389. All classes have the same rights on winding up.

14. Derivatives

The A-Class Income GBP Hedged share class and the C-Class Income GBP Hedged share class enter into derivative transactions in the form of forward currency contracts. The share classes may use derivatives for investment purposes or efficient portfolio management including hedging, where appropriate. The positive mark to market approach has been used to calculate the global exposure.

Further information on the derivative risks can be found in the notes to the aggregated financial statements on page 414.

15. Contingent liabilities and capital commitments

At the balance sheet date there were no contingent liabilities or capital commitments (2013: none).

Distribution tables

Final distribution in pence per share

Group 1 – Shares purchased prior to 1 November 2013

Group 2 – Shares purchased 1 November 2013 to 31 January 2014

	Gross revenue	Tax at 10%	Net revenue	Equalisation	Distribution payable 30.04.14	Distribution paid 30.04.13
A-Class Accumulation Shares						
Group 1	0.555556	0.055556	0.500000	-	0.500000	0.710000
Group 2	0.215508	0.021551	0.193957	0.306043	0.500000	0.710000
A-Class Income Shares						
Group 1	0.500000	0.050000	0.450000	-	0.450000	0.640000
Group 2	0.119706	0.011971	0.107735	0.342265	0.450000	0.640000
A-Class Income GBP Hedged Shares						
Group 1	0.511111	0.051111	0.460000	-	0.460000	0.650000
Group 2	0.175137	0.017514	0.157623	0.302377	0.460000	0.650000
B-Class Accumulation Shares						
Group 1	0.800000	0.080000	0.720000	-	0.720000	0.980000
Group 2	0.250294	0.025029	0.225265	0.494735	0.720000	0.980000
B-Class Income Shares						
Group 1	0.988889	0.098889	0.890000	-	0.890000	1.270000
Group 2	0.448468	0.044847	0.403621	0.486379	0.890000	1.270000
C-Class Accumulation Shares						
Group 1	0.777778	0.077778	0.700000	-	0.700000	0.960000
Group 2	0.216503	0.021650	0.194853	0.505147	0.700000	0.960000
C-Class Income Shares						
Group 1	1.011111	0.101111	0.910000	-	0.910000	1.290000
Group 2	0.385632	0.038563	0.347069	0.562931	0.910000	1.290000
C-Class Income GBP Hedged Shares						
Group 1	0.700000	0.070000	0.630000	-	0.630000	0.890000
Group 2	0.266551	0.026655	0.239896	0.390104	0.630000	0.890000
X-Class Accumulation Shares						
Group 1	0.622222	0.062222	0.560000	-	0.560000	-
Group 2	0.209140	0.020914	0.188226	0.371774	0.560000	-

Distribution tables – continued

Third interim distribution in pence per share

Group 1 – Shares purchased prior to 1 August 2013

Group 2 – Shares purchased 1 August 2013 to 31 October 2013

	Gross revenue	Tax at 10%	Net revenue	Equalisation	Distribution paid 31.01.14	Distribution paid 31.01.13
A-Class Accumulation Shares						
Group 1	0.600000	0.060000	0.540000	-	0.540000	0.490000
Group 2	0.266107	0.026611	0.239496	0.300504	0.540000	0.490000
A-Class Income Shares						
Group 1	0.533333	0.053333	0.480000	-	0.480000	0.450000
Group 2	0.185367	0.018537	0.166830	0.313170	0.480000	0.450000
A-Class Income GBP Hedged Shares						
Group 1	0.533333	0.053333	0.480000	-	0.480000	0.450000
Group 2	0.441369	0.044137	0.397232	0.082768	0.480000	0.450000
B-Class Accumulation Shares						
Group 1	0.833333	0.083333	0.750000	-	0.750000	0.710000
Group 2	0.265526	0.026553	0.238973	0.511027	0.750000	0.710000
B-Class Income Shares						
Group 1	1.044444	0.104444	0.940000	-	0.940000	0.900000
Group 2	0.424382	0.042438	0.381944	0.558056	0.940000	0.900000
C-Class Accumulation Shares						
Group 1	0.811111	0.081111	0.730000	-	0.730000	0.700000
Group 2	0.307659	0.030766	0.276893	0.453107	0.730000	0.700000
C-Class Income Shares						
Group 1	1.055556	0.105556	0.950000	-	0.950000	0.930000
Group 2	0.416792	0.041679	0.375113	0.574887	0.950000	0.930000
C-Class Income GBP Hedged Shares						
Group 1	0.711111	0.071111	0.640000	-	0.640000	0.620000
Group 2	0.285080	0.028508	0.256572	0.383428	0.640000	0.620000
X-Class Accumulation Shares						
Group 1	0.644444	0.064444	0.580000	-	0.580000	-
Group 2	0.105094	0.010509	0.094585	0.485415	0.580000	-

Distribution tables – continued

Second interim distribution in pence per share

Group 1 – Shares purchased prior to 1 May 2013

Group 2 – Shares purchased 1 May 2013 to 31 July 2013

	Gross revenue	Tax at 10%	Net revenue	Equalisation	Distribution paid 31.10.13	Distribution paid 31.10.12
A-Class Accumulation Shares						
Group 1	0.611111	0.061111	0.550000	-	0.550000	0.490000
Group 2	0.223278	0.022328	0.200950	0.349050	0.550000	0.490000
A-Class Income Shares						
Group 1	0.544444	0.054444	0.490000	-	0.490000	0.450000
Group 2	0.229002	0.022900	0.206102	0.283898	0.490000	0.450000
A-Class Income GBP Hedged Shares						
Group 1	0.533333	0.053333	0.480000	-	0.480000	0.450000
Group 2	0.030293	0.003029	0.027264	0.452736	0.480000	0.450000
B-Class Accumulation Shares						
Group 1	0.866667	0.086667	0.780000	-	0.780000	0.690000
Group 2	0.246461	0.024646	0.221815	0.558185	0.780000	0.690000
B-Class Income Shares						
Group 1	1.088889	0.108889	0.980000	-	0.980000	0.900000
Group 2	0.548006	0.054801	0.493205	0.486795	0.980000	0.900000
C-Class Accumulation Shares						
Group 1	0.855556	0.085556	0.770000	-	0.770000	0.690000
Group 2	0.254231	0.025423	0.228808	0.541192	0.770000	0.690000
C-Class Income Shares						
Group 1	1.111111	0.111111	1.000000	-	1.000000	0.920000
Group 2	0.393186	0.039319	0.353867	0.646133	1.000000	0.920000
C-Class Income GBP Hedged Shares						
Group 1	0.733333	0.073333	0.660000	-	0.660000	-
Group 2	0.299901	0.029990	0.269911	0.390089	0.660000	-
X-Class Accumulation Shares						
Group 1	0.244444	0.024444	0.220000	-	0.220000	-
Group 2	0.210554	0.021055	0.189499	0.030501	0.220000	-

Distribution tables – continued

First interim distribution in pence per share

Group 1 – Shares purchased prior to 1 February 2013

Group 2 – Shares purchased 1 February 2013 to 30 April 2013

	Gross revenue	Tax at 10%	Net revenue	Equalisation	Distribution paid 31.07.13	Distribution paid 31.07.12
A-Class Accumulation Shares						
Group 1	0.600000	0.060000	0.540000	-	0.540000	0.480000
Group 2	0.244445	0.024444	0.220001	0.319999	0.540000	0.480000
A-Class Income Shares						
Group 1	0.544444	0.054444	0.490000	-	0.490000	0.450000
Group 2	0.147280	0.014728	0.132552	0.357448	0.490000	0.450000
A-Class Income GBP Hedged Shares						
Group 1	0.522222	0.052222	0.470000	-	0.470000	0.450000
Group 2	0.153018	0.015301	0.137717	0.332283	0.470000	0.450000
B-Class Accumulation Shares						
Group 1	0.844444	0.084444	0.760000	-	0.760000	0.720000
Group 2	0.207835	0.020783	0.187052	0.572948	0.760000	0.720000
B-Class Income Shares						
Group 1	1.066666	0.106666	0.960000	-	0.960000	0.880000
Group 2	0.265466	0.026546	0.238920	0.721080	0.960000	0.880000
C-Class Accumulation Shares						
Group 1	0.822222	0.082222	0.740000	-	0.740000	0.680000
Group 2	0.228815	0.022881	0.205934	0.534066	0.740000	0.680000
C-Class Income Shares						
Group 1	1.088888	0.108888	0.980000	-	0.980000	0.910000
Group 2	0.377554	0.037755	0.339799	0.640201	0.980000	0.910000
C-Class Income GBP Hedged Shares						
Group 1	0.700000	0.070000	0.630000	-	0.630000	-
Group 2	0.237868	0.023786	0.214082	0.415918	0.630000	-

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 Select Fund

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.

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

US equity markets delivered strong returns in the 12-month period, as tapering concerns were outweighed by the strengthening economic recovery.

The Fund delivered a positive return and outperformed its benchmark for the 12-month period, with strong stock and sector selection contributing positively to the outperformance. Performance was primarily driven by selections in the auto & transportation and pharmaceuticals/medtech sectors, where overweight positions in Delta Air Lines and Biogen IDEC added value. On the negative side, our stock selection in the health services & system and systems & network hardware sectors proved lacklustre. In terms of individual names, a lack of exposure to Gilead Sciences and an overweight position in Johnson & Johnson detracted the most.

Fund outlook

While acknowledging that markets may remain volatile and not materially rise in the short term, we find no reason to change our constructive view on US equity markets. The economic data thus far has not differed from our expectations heading into the year. We see continued expansion in the US and continued improvement in both Europe and Japan. Even if investors begin to extrapolate the current emerging market concerns into a wider crisis, we do not believe the risk to US markets would be significant. The US economy is mostly driven by domestic consumption and is therefore not dependent on the rest of the world for its growth.

12 month performance as at 31 January

	2014	2013	2012	2011	2010
JPM US Select					
A-Class Acc	18.5%	16.0%	2.2%	18.9%	19.7%
JPM US Select					
B-Class Acc	19.0%	-	-	-	-
JPM US Select					
C-Class Acc	19.3%	16.9%	3.0%	19.8%	-
JPM US Select					
I-Class Acc	19.7%	17.2%	3.3%	19.9%	21.0%
JPM US Select					
X-Class Inc	20.3%	17.9%	3.9%	20.7%	21.6%
Benchmark Index	16.9%	15.8%	5.5%	21.9%	19.4%

Fund statistics

Risk and Reward Profile	6*
Fund size	£172.0m
Benchmark Index	S&P 500 Index (Net of 15% withholding tax)
Fund charges	
A-Class	Initial 3.00%, Annual 1.50%
B-Class	Initial Nil, Annual 1.00%
C-Class	Initial Nil, Annual 0.75%
I-Class	Initial Nil, Annual 0.60%
X-Class	On application ^a

Top ten holdings

	%
Johnson & Johnson	4.4
Schlumberger	3.1
Google 'A'	3.0
Time Warner	3.0
Wells Fargo	2.9
Apple	2.8
UnitedHealth Group	2.4
General Motors	2.2
Microsoft	2.1
United Technologies	2.1

Sector breakdown

	%
Technology	17.8
Financials	15.3
Consumer services	14.2
Health care	13.6
Industrials	11.6
Oil & gas	10.7
Consumer goods	8.8
Basic materials	4.1
Telecommunications	1.8
Utilities	1.2
Net other assets	0.9

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

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

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

Source: J.P. Morgan.

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

Highest/lowest share price and distribution record

Calendar year	Highest share price	Lowest share price	Distribution per share (net)
A-Class Accumulation Shares			
2009	56.71p	37.02p	0.19p
2010	64.97p	53.23p	0.21p
2011	66.50p	52.63p	0.00p
2012	70.91p	61.96p	0.02p
2013	91.38p	68.88p	0.12p
2014 ^b	92.58p	87.83p	0.00p
A-Class Income Shares			
2009	56.38p	36.78p	0.19p
2010	64.35p	52.72p	0.22p
2011	65.87p	52.13p	0.00p
2012	70.21p	61.37p	0.02p
2013	90.30p	68.19p	0.11p
2014 ^b	91.48p	86.78p	0.00p
B-Class Accumulation Shares^c			
2012	70.00p	66.82p	-
2013	91.90p	68.95p	0.22p
2014 ^b	93.13p	88.36p	0.31p
C-Class Accumulation Shares^d			
2009	135.6p	101.1p	-
2010	156.5p	127.7p	0.98p
2011	160.9p	127.5p	1.09p
2012	173.4p	150.5p	1.25p
2013	225.4p	168.7p	1.61p
2014 ^b	228.4p	216.7p	1.31p
C-Class Income Shares^e			
2012	101.1p	95.33p	-
2013	130.8p	98.41p	0.57p
2014 ^b	132.6p	125.8p	0.77p
I-Class Accumulation Shares			
2009	249.8p	161.6p	2.93p
2010	288.5p	235.2p	2.42p
2011	297.0p	235.4p	2.72p
2012	321.1p	278.2p	3.05p
2013	419.0p	312.7p	3.86p
2014 ^b	424.7p	403.0p	3.65p
X-Class Income Shares			
2009	235.4p	151.8p	3.60p
2010	269.4p	219.3p	3.01p
2011	274.1p	217.4p	3.87p
2012	293.7p	257.4p	4.19p
2013	379.3p	286.3p	5.04p
2014 ^b	384.6p	365.0p	5.08p

^a To 31 January 2014.

^b B-Class Accumulation Shares were launched on 29 October 2012.

^c C-Class Accumulation Shares were launched on 24 March 2009.

^d C-Class Income Shares were launched on 20 August 2012.

Portfolio turnover rate

31.01.13	110.6%
31.01.14	140.9%

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

Portfolio transaction costs

	Broker Commissions	Transaction Taxes	Total
31.01.13	0.13%	0.00%	0.13%
31.01.14	0.12%	0.00%	0.12%

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

Stamp duty reserve tax

31.01.13	0.00%
31.01.14	0.00%

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

Net asset values and Ongoing charges

Date	Net asset value per share class £'000	Number of shares	Net asset value per share	Ongoing charges
A-Class Accumulation Shares				
31.01.12	69,676	107,497,639	64.82p	1.67%
31.01.13	80,090	106,580,847	75.14p	1.68%
31.01.14	101,937	114,502,181	89.01p	1.68%
A-Class Income Shares				
31.01.12	2,547	3,969,047	64.18p	1.67%
31.01.13	2,867	3,860,321	74.27p	1.68%
31.01.14	5,112	5,811,325	87.97p	1.68%
B-Class Accumulation Shares				
31.01.13	3	4,000	75.24p	1.18%
31.01.14	334	373,162	89.57p	1.18%
C-Class Accumulation Shares				
31.01.12	31,825	20,200,179	157.5p	0.87%
31.01.13	10,897	5,918,206	184.1p	0.93%
31.01.14	26,838	12,215,094	219.7p	0.93%
C-Class Income Shares				
31.01.13	17	15,533	106.8p	0.93%
31.01.14	1,613	1,272,469	126.8p	0.93%
I-Class Accumulation Shares				
31.01.12	1,249	428,808	291.2p	0.60%
31.01.13	1,387	406,224	341.3p	0.60%
31.01.14	36,028	8,817,852	408.6p	0.60%
X-Class Income Shares				
31.01.12	3,031	1,141,885	265.3p	0.06%
31.01.13	1,713	556,937	307.6p	0.06%
31.01.14	131	35,920	365.0p	0.06%

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

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

Portfolio statement

As at 31 January 2014

Investment	Holding	Market value £'000	Total net assets %
Technology - 17.8% (17.8%)			
Software & computer services - 7.4%			
Adobe Systems	19,640	709	0.4
Cerner	15,630	534	0.3
Citrix Systems	11,080	359	0.2
Cognizant Technology Solutions	9,000	539	0.3
Google 'A'	7,605	5,237	3.0
Microsoft	162,994	3,650	2.1
Oracle	86,507	1,966	1.1
Technology hardware & equipment - 10.4%			
Apple	15,667	4,751	2.8
Applied Materials	76,220	777	0.5
Avago Technologies	75,420	2,522	1.5
Cisco Systems	191,680	2,560	1.5
EMC	73,760	1,103	0.6
Freescale Semiconductor	28,940	319	0.2
Hewlett Packard	17,270	307	0.2
KLA-Tencor	32,520	1,218	0.7
Lam Research	30,127	938	0.5
Qualcomm	57,221	2,548	1.5
SanDisk	3,880	166	0.1
Teradyne	25,500	296	0.2
Xilinx	7,140	203	0.1
Financials - 15.3% (16.0%)			
Banks - 6.3%			
Bank of America	273,640	2,815	1.6
Citigroup	81,721	2,398	1.4
SunTrust Banks	12,080	277	0.2
Wells Fargo	179,316	5,016	2.9
Zions Bancorporation	21,260	379	0.2
General financial - 5.3%			
American Express	7,200	379	0.2
Ameriprise Financial	14,840	960	0.6
Capital One Financial	19,830	855	0.5
Goldman Sachs Group	7,464	751	0.4
Intercontinental Exchange	7,229	919	0.5
Invesco	52,750	1,073	0.6
Morgan Stanley	91,040	1,658	1.0
State Street	13,600	564	0.3
TD Ameritrade	9,576	183	0.1
Visa 'A'	14,090	1,891	1.1
Life insurance - 0.9%			
Metlife	49,680	1,502	0.9
Nonlife insurance - 2.8%			
ACE	56,770	3,281	1.9
Axis Capital	6,130	171	0.1
Hartford Financial Services Group	11,140	228	0.1
Marsh & McLennan	41,260	1,160	0.7
Consumer services - 14.2% (12.4%)			
Food & drug retails - 1.0%			
CVS Caremark	25,570	1,051	0.6
McKesson	6,540	704	0.4
General retailers - 4.7%			
Amazon	6,480	1,583	0.9
Autozone	2,580	782	0.5
Costco Wholesale	11,630	796	0.5
eBay	25,581	826	0.5
Home Depot	48,060	2,246	1.3
Lowe's	30,540	863	0.5
TJX Companies	22,600	790	0.5
Media - 6.0%			
CBS 'B'	23,850	858	0.5
Comcast 'A'	73,510	2,420	1.4
Dish Network 'A'	13,140	451	0.3
Time Warner	135,738	5,234	3.0
Time Warner Cable	4,910	400	0.2
Walt Disney	23,980	1,067	0.6
Travel & leisure - 2.5%			
Delta Air Lines	41,440	770	0.4
Priceline.com	1,760	1,239	0.7
Royal Caribbean Cruises	14,450	446	0.3
Starbucks	9,110	398	0.2
Starwood Hotels and Resorts Worldwide 'B'	9,230	423	0.2
United Continental	27,200	767	0.4
Yum Brands	13,470	545	0.3

Investment	Holding	Market value £'000	Total net assets %
Health care - 13.6% (12.8%)			
Health care equipment & services - 3.4%			
Humana	11,800	704	0.4
Stryker	20,250	961	0.6
UnitedHealth Group	91,770	4,058	2.4
Pharmaceuticals & biotechnology - 10.2%			
Aegerion Pharmaceuticals	2,720	99	0.1
Alexion Pharmaceutical	8,780	864	0.5
Allergan	5,200	364	0.2
Biogen Idec	11,449	2,214	1.3
Bristol-Myers Squibb	69,500	2,132	1.2
Celgene	15,626	1,461	0.8
Johnson & Johnson	137,450	7,473	4.4
Merck & Co	56,604	1,841	1.1
Perrigo	3,480	330	0.2
Vertex Pharmaceuticals	14,070	702	0.4
Industrials - 11.6% (10.9%)			
Aerospace & defence - 2.1%			
United Technologies	50,653	3,530	2.1
Construction & materials - 2.0%			
Fluor	51,450	2,386	1.4
Jacobs Engineering Group	9,780	367	0.2
Martin Marietta Materials	950	62	-
Masco	49,990	644	0.4
Electronics & electrical equipment - 0.5%			
Emerson Electric	21,420	866	0.5
General industrials - 3.2%			
Eaton	40,830	1,833	1.1
Honeywell International	63,340	3,528	2.1
Industrial engineering - 1.4%			
Flowserve	12,450	549	0.3
Paccar	41,731	1,456	0.8
Pentair	4,270	194	0.1
SPX	5,840	355	0.2
Industrial transportation - 1.5%			
CSX	102,220	1,662	1.0
Union Pacific	7,500	803	0.5
Support services - 0.9%			
Accenture 'A'	19,800	971	0.6
Alliance Data System	2,010	304	0.2
Grainger (W.W.)	1,620	233	0.1
Oil & gas - 10.7% (11.4%)			
Oil & gas producers - 7.0%			
Anadarko Petroleum	11,590	574	0.3
Cheniere Energy	9,970	265	0.2
Chevron	21,380	1,512	0.9
ConocoPhillips	12,830	512	0.3
EOG Resources	9,430	952	0.6
ExxonMobil	57,864	3,304	1.9
Marathon Oil	13,368	268	0.2
Marathon Petroleum	5,840	310	0.2
Occidental Petroleum	53,481	2,868	1.7
Phillips 66	13,480	602	0.4
Southwestern Energy	7,500	187	0.1
Valero Energy	8,790	274	0.2
Oil equipment, services & distribution - 3.7%			
EnSCO 'A'	10,490	323	0.2
Halliburton	22,680	681	0.4
Schlumberger	98,863	5,335	3.1

Portfolio statement – continued

As at 31 January 2014

Investment	Holding	Market value £'000	Total net assets %
Consumer goods – 8.8% (12.2%)			
Automobiles & parts – 2.4%			
General Motors	172,680	3,864	2.2
TRW Automotive	8,890	402	0.2
Beverages – 2.4%			
Coca-Cola	47,638	1,105	0.6
Constellation Brands 'A'	6,770	319	0.2
Dr Pepper Snapple Group	14,780	433	0.3
Molson Coors Brewing 'B'	21,690	709	0.4
PepsiCo	31,420	1,548	0.9
Food producers – 0.8%			
General Mills	18,414	543	0.3
Mondelez International	40,739	815	0.5
Household goods – 1.5%			
Lennar	16,110	380	0.2
Procter & Gamble	34,904	1,630	0.9
Toll Brothers	25,370	557	0.3
Whirlpool	1,880	151	0.1
Leisure goods – 0.0%			
Harman International Industries	900	56	-
Personal goods – 0.9%			
Colgate-Palmolive	14,290	534	0.3
Lululemon Athletica	12,870	366	0.2
VF	17,010	614	0.4
Tobacco – 0.8%			
Philip Morris International	27,920	1,341	0.8
Basic materials – 4.1% (3.2%)			
Chemicals – 1.7%			
Air Products & Chemicals	1,180	76	-
Axiall	17,229	422	0.2
Dow Chemical	31,800	875	0.5
Methanex	10,220	381	0.2
Monsanto	21,450	1,398	0.8
Forestry & paper – 0.1%			
International Paper	5,204	149	0.1
Industrial metals – 2.3%			
Alcoa	146,126	1,060	0.6
Freeport-McMoRan Copper & Gold	118,411	2,332	1.4
United States Steel	31,780	506	0.3
Telecommunications – 1.8% (1.0%)			
Fixed line telecommunications – 1.8%			
Verizon Communications	107,320	3,104	1.8
Utilities – 1.2% (1.6%)			
Electricity – 0.8%			
American Electric Power	11,730	344	0.2
Nextera Energy	19,264	1,064	0.6
Gas, water & multiutilities – 0.4%			
Nisource	8,390	175	0.1
Sempra Energy	9,450	525	0.3
Futures – 0.0% (0.0%)			
S&P500 E-Mini Futures Mar 2014	3	(2)	-
Investment assets (including investment liabilities)		170,510	99.1
Net other assets		1,483	0.9
Net assets		171,993	100.0

Unless otherwise stated the above securities are admitted to official stock exchange listings or trade on a regulated market.

The comparative percentage figures in brackets are at 31 January 2013.

Portfolio movements

For the year ending 31 January 2014

	£'000		£'000
Total of all purchases for the year (Note 10)	208,133	Total of all sales for the year (Note 10)	153,728
Major purchases	Cost	Major sales	Proceeds
Johnson & Johnson	8,125	Schlumberger	4,003
Schlumberger	6,759	Google 'A'	2,994
Time Warner	4,453	Merck & Co	2,953
Google 'A'	4,425	Time Warner	2,705
ExxonMobil	4,147	Johnson Controls	2,529
Wells Fargo	4,041	Chevron	2,391
UnitedHealth Group	3,822	Johnson & Johnson	2,390
Apple	3,648	Apple	2,389
General Motors	3,229	Occidental Petroleum	2,382
eBay	3,222	United Technologies	2,347
Occidental Petroleum	3,174	eBay	2,319
Verizon Communications	3,141	Wells Fargo	2,180
Bristol-Myers Squibb	2,982	Biogen Idec	2,177
Cisco Systems	2,976	ExxonMobil	2,161
Qualcomm	2,959	Microsoft	2,048
United Technologies	2,829	Dow Chemical	2,024
Freeport-McMoRan Copper & Gold	2,823	Cisco Systems	1,955
Microsoft	2,758	Bank of America	1,920
Avago Technologies	2,696	Qualcomm	1,765
Honeywell International	2,677	CME Group 'A'	1,741

Financial statements

Statement of total return

For the year ending 31 January

	2014	2013
	£'000	£'000
Income		
Net capital gains (Note 1)	19,666	15,381
Revenue (Note 2)	2,398	2,249
Expenses (Note 3)	(1,963)	(1,509)
Net revenue before taxation	435	740
Taxation (Note 4)	(315)	(305)
Net revenue after taxation	120	435
Total return before distributions	19,786	15,816
Finance costs: Distributions (Note 5)	(258)	(435)
Change in net assets attributable to shareholders from investment activities	19,528	15,381

Statement of change in net assets attributable to shareholders

For the year ending 31 January

	2014	2013
	£'000	£'000
Opening net assets attributable to shareholders	96,974	108,328
Amounts receivable on issue of shares	122,427	38,626
Amounts payable on cancellation of shares	(67,418)	(65,600)
	55,009	(26,974)
Change in net assets attributable to shareholders from investment activities (see above)	19,528	15,381
Retained distributions on accumulation shares	483	239
Stamp duty reserve tax	(1)	-
Closing net assets attributable to shareholders	171,993	96,974

Balance sheet

As at 31 January

	2014	2013
	£'000	£'000
ASSETS		
Investment assets	170,512	96,261
Debtors (Note 7)	5,540	1,272
Cash and bank balances (Note 8)	3,239	728
Total other assets	8,779	2,000
Total assets	179,291	98,261
LIABILITIES		
Investment liabilities	(2)	-
Creditors (Note 9)	(7,284)	(1,255)
Distribution payable on income shares	(12)	(32)
Total other liabilities	(7,296)	(1,287)
Total liabilities	(7,298)	(1,287)
Net assets attributable to shareholders	171,993	96,974

The notes to these financial statements are shown on pages 407 to 408.

Notes to the financial statements for the year ending 31 January 2014

1. Net capital gains

	2014	2013
	£'000	£'000
Currency (losses)/gains	(207)	181
Derivative contracts	20	93
Non-derivative securities	19,853	15,107
Net capital gains	19,666	15,381

2. Revenue

	2014	2013
	£'000	£'000
Franked income from UK equity investments	19	8
Income from overseas equity investments	2,378	2,240
Interest on bank and term deposits	1	1
Total revenue	2,398	2,249

3. Expenses

	2014	2013
	£'000	£'000
Payable to the ACD or associate of the ACD:		
ACD fee	1,749	1,339
Fixed expenses	214	170
Total expenses	1,963	1,509

4. Taxation

	2014	2013
	£'000	£'000
a) Analysis of charge in the year		
Overseas tax suffered	315	305
Current year tax charge (Note 4b)	315	305

b) Factors affecting the tax charge for the year

The tax assessed for the year is higher 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	435	740
Corporation tax at 20%	87	148
Effects of:		
Dividends not subject to corporation tax	(478)	(450)
Excess expenses for which no relief taken	391	302
Overseas tax suffered	315	305
	228	157
Current year tax charge (Note 4a)	315	305

No deferred tax asset has been recognised in the financial statements. At the year end date, the Fund had a potential unrecognised deferred tax asset of £1,051,456 (31.01.13: £660,269) in relation to £5,257,280 (31.01.13: £3,301,345) 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.

5. Finance costs

Distributions

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

	2014	2013
	£'000	£'000
Final dividend distribution	495	271
Add: Amounts payable on cancellation of shares	48	206
Deduct: Amounts receivable on issue of shares	(285)	(42)
Total finance costs	258	435

Details of the distribution per share are set out on page 409.

6. Movement between net revenue after taxation and distributions

	2014	2013
	£'000	£'000
Net revenue after taxation	120	435
Add: Net expense payable from capital	90	-
Add: Undistributed revenue brought forward	6	6
Deduct: Undistributed revenue carried forward	(1)	(6)
Equalisation on conversions	43	-
	258	435

7. Debtors

	2014	2013
	£'000	£'000
Accrued income	94	74
Due from the ACD for shares created	4,228	76
Overseas tax recoverable	4	7
Sales awaiting settlement	1,214	1,115
Total debtors	5,540	1,272

8. Cash and bank balances

	2014	2013
	£'000	£'000
Amounts held at futures clearing houses and brokers	33	-
Cash and bank balances	3,206	728
Total cash and bank balances	3,239	728

9. Creditors

	2014	2013
	£'000	£'000
Accrued expenses	191	124
Due to the ACD for shares cancelled	55	111
Purchases awaiting settlement	7,038	1,020
Total creditors	7,284	1,255

Notes to the financial statements – continued

10. Portfolio transaction costs

	2014 £'000	2013 £'000
Analysis of total purchase costs		
Purchases in year before transaction costs	208,049	94,789
Commissions	84	57
Total purchase costs	84	57
Gross purchases total	208,133	94,846
Analysis of total sale costs		
Gross sales before transaction costs	153,795	121,409
Commissions	(64)	(67)
Taxes	(3)	(3)
Total sale costs	(67)	(70)
Total sales net of transaction costs	153,728	121,339

11. 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 £3,981,698 (31.01.13: £158,765). Details of related party transactions are given under note 13 on page 413.

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 £83 (31.01.13: £nil). Commission was paid to the associated company JP Morgan Securities Ltd.

The following parties held a material interest in the Fund at the year end date:

- Chase Nominees Limited 17.53% (31.01.13: 19.59%)
- JP Morgan Life Diversified Equity 17.02% (31.01.13: 0.00%)
- Axa Wealth Ltd 11.99% (31.01.13: 0.00%)
- R C Greig Nominees Ltd 3.57% (31.01.13: 21.45%)

12. 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.

Currency	Net foreign currency assets/(liabilities)		
	Total £'000	Monetary exposures £'000	Non-monetary exposures £'000
31.01.14			
US Dollar	168,007	(2,503)	170,510
31.01.13			
US Dollar	97,165	904	96,261

Interest rate risk

At the year end date, 1.9% (31.01.13: 0.8%) of the Fund's net assets by value were interest bearing, carrying a (fixed/floating) rate.

For consideration of other risks including liquidity, pricing and credit risk, please refer to the notes to the aggregated financial statements, pages 413 to 414.

13. 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 fixed expenses charge are shown below.

	ACD fee	Fixed expenses
Class A shares:	1.50%	0.18%
Class B shares:	1.00%	0.18%
Class C shares:	0.75%	0.18%
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 page 402. All classes have the same rights on winding up.

14. Derivatives

The Fund enters into derivative transactions in the form of futures for the purpose of efficient portfolio management. The commitment approach has been used to calculate the global exposure.

Further information on the derivative risks can be found in the notes to the aggregated financial statements on page 414.

15. Contingent liabilities and capital commitments

At the balance sheet date there were no contingent liabilities or capital commitments (2013: none).

Distribution table

Final distribution in pence per share

Group 1 – Shares purchased prior to 1 February 2013

Group 2 – Shares purchased 1 February 2013 to 31 January 2014

	Gross revenue	Tax at 10%	Net revenue	Equalisation	Distribution payable 30.04.14	Distribution paid 30.04.13
A-Class Accumulation Shares						
Group 1	0.000000	0.000000	0.000000	-	0.000000	0.120000
Group 2	0.000000	0.000000	0.000000	0.000000	0.000000	0.120000
A-Class Income Shares						
Group 1	0.000000	0.000000	0.000000	-	0.000000	0.110000
Group 2	0.000000	0.000000	0.000000	0.000000	0.000000	0.110000
B-Class Accumulation Shares						
Group 1	0.344444	0.034444	0.310000	-	0.310000	0.220000
Group 2	0.092916	0.009292	0.083624	0.226376	0.310000	0.220000
C-Class Accumulation Shares						
Group 1	1.455556	0.145556	1.310000	-	1.310000	1.610000
Group 2	0.262982	0.026298	0.236684	1.073316	1.310000	1.610000
C-Class Income Shares						
Group 1	0.855556	0.085556	0.770000	-	0.770000	0.570000
Group 2	0.183592	0.018359	0.165233	0.604767	0.770000	0.570000
I-Class Accumulation Shares						
Group 1	4.055556	0.405556	3.650000	-	3.650000	3.860000
Group 2	1.307988	0.130799	1.177189	2.472811	3.650000	3.860000
X-Class Income Shares						
Group 1	5.644444	0.564444	5.080000	-	5.080000	5.040000
Group 2	5.644444	0.564444	5.080000	0.000000	5.080000	5.040000

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.

Aggregated Company financial statements

Aggregated statement of total return

For the year ending 31 January

	2014	2013
£'000	£'000	£'000
Income		
Net capital (losses)/gains (Note 3)	(92,999)	171,172
Revenue (Note 4)	279,904	242,974
Expenses (Note 5)	(124,350)	(118,867)
Performance fee (Note 5)	(54)	-
Finance costs: Interest (Note 7)	(20)	(2)
Net revenue before taxation	155,480	124,105
Taxation (Note 6)	(16,631)	(13,671)
Net revenue after taxation	138,849	110,434
Total return before distributions	45,850	281,606
Finance costs: Distributions (Note 7)	(170,966)	(141,031)
Change in net assets attributable to shareholders from investment activities	(125,116)	140,575

Aggregated statement of change in net assets attributable to shareholders

For the year ending 31 January

	2014	2013
£'000	£'000	£'000
Opening net assets attributable to shareholders	8,972,044	8,509,029
Amounts transferred from JPM Emerging Markets Infrastructure Fund	(12,772)	-
Amounts transferred to JPM Emerging Markets Fund	12,772	-
Amounts transferred to JPM Europe Fund	-	54,653
Amounts transferred from JPM UK Equity Fund	(264,499)	-
Amounts transferred to JPM UK Strategic Growth Fund	264,499	-
Amounts transferred to other funds	(112,715)	-
	8,859,329	8,563,682
Amounts receivable on issue of shares	2,424,720	2,151,357
Amounts payable on cancellation of shares	(1,907,569)	(1,965,858)
	517,151	185,499
Change in net assets attributable to shareholders from investment activities (see above)	(125,116)	140,575
Retained distributions on accumulation shares	98,359	82,461
Stamp duty reserve tax	(477)	(346)
Unclaimed distributions	172	173
Closing net assets attributable to shareholders	9,349,418	8,972,044

Aggregated balance sheet

As at 31 January

	2014	2013
£'000	£'000	£'000
ASSETS		
Investment assets	9,248,498	8,963,775
Debtors (Note 9)	141,006	180,218
Cash and bank balances (Note 10)	144,209	116,723
Total other assets	285,215	296,941
Total assets	9,533,713	9,260,716
LIABILITIES		
Investment liabilities	(11,758)	(32,863)
Creditors (Note 11)	(153,133)	(239,376)
Bank overdrafts	-	(945)
Distribution payable on income shares	(19,404)	(15,488)
Total other liabilities	(172,537)	(255,809)
Total liabilities	(184,295)	(288,672)
Net assets attributable to shareholders	9,349,418	8,972,044

The notes to these financial statements are shown on pages 411 to 414.

This report has been prepared in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook and was approved by the Authorised Corporate Director on 14 May 2014.



Peter Schwicht
Director
JPMorgan Funds Limited
14 May 2014



Dan Watkins
Director
JPMorgan Funds Limited
14 May 2014

Notes to the Aggregated Company financial statements for the year ending 31 January 2014

1. 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 Authorised Funds issued by the IMA in October 2010.

All of the sub-funds have been prepared on a going concern basis with the exception of the JPM Balanced Total Return, JPM Emerging Markets Infrastructure, JPM Global Equity Absolute Alpha, JPM Global Mining and JPM UK Equity funds which have been prepared on a basis other than going concern. In applying this basis of preparation, the assets and liabilities of these Funds continue to be stated at their fair values which materially equate to their residual values.

- (b) The aggregate financial statements represent the sum of the individual sub-funds within the Company. Further analysis of the distribution and net asset position can be found within the financial statements of the individual sub-funds.
- (c) 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. 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.
- (d) 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 sub-fund, and equalisation on distributions received from other Collective Investment Schemes is deducted from the cost of the investment. 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.
- (e) Dividends from US Real Estate Investment Trusts ("REITs") are initially recognised as revenue when the security goes ex-dividend. The US REIT companies issue information on the revenue/capital split of these dividends on an annual basis based on the calendar year. When this information is received, the relevant portion is then reallocated to capital.
- (f) 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.
- (g) 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 sub-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. All other gains/losses from derivatives are taken to capital.
- (h) Revenue from Stocklending is accounted for gross of bank and agent fees and is recognised on a receipts basis.
- (i) 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.
- (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. 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. Fixed expenses are also charged to revenue. Stamp duty reserve tax, 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) Performance fees are calculated on a daily basis, and reflected in the net asset value per share on the following dealing day. If the benchmark is exceeded, the amount of excess is multiplied by the pre-determined performance fee rate (see relevant sub-fund for the rate). A performance fee will only be accrued when the net asset value per share class exceeds both the performance fee benchmark and high water mark. Below that level, no performance fee is accrued. A Fund with a high water mark will not accrue a performance fee until any prior losses are recovered by subsequent returns. For sub-funds with a performance fee cap in place no additional fee can be accrued once the share class return exceeds the benchmark return by the level of the cap. The cap is a percentage limit and not a monetary limit.
- (l) 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.
- (m) 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.
- (n) The listed investments of the sub-funds and investments traded on regulated markets have been valued at market value at 12 noon on 31 January 2014. 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 valuation of unlisted investments are 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 2014. 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 2014.
- (o) 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 2014.
- (p) The sub-funds may apply a dilution adjustment, intended to cover certain dealing charges which could have a diluting effect on the performance of the sub-funds. This adjustment is at the discretion of the ACD. Where applied it is included within the dealing price available to shareholders and is not disclosed separately in the financial statements.

2. Distribution policies

- (a) The income available for distribution for each sub-fund is the total revenue earned by the sub-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 sub-fund. Accumulation distributions from shares held in other Collective Investment Schemes are reflected as revenue of the respective sub-fund and form part of the distribution.
- The final distribution was distributed on 16 March 2014 for JPM Institutional Asia Fund, and will be distributed on 30 April 2014 for all other sub-funds.
- (b) The sub-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 Cautious Managed Fund, JPM Global (ex-UK) Bond Fund, JPM Global High Yield Bond Fund, JPM Sterling Corporate Bond Fund and JPM Strategic Bond Fund which are more than 60% invested in qualifying investments (as defined by SI2006/964) 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.

Notes to the Aggregated Company financial statements – continued

(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 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 and Bond Income Fund, JPM UK Higher Income Fund, JPM UK Strategic Equity Income Fund and JPM US Equity Income Fund.

3. Net capital (losses)/gains

	2014 £'000	2013 £'000
Currency losses	(8,705)	(3,610)
Derivative contracts	(7,004)	(51,443)
Forward currency contracts	97,583	5,976
Italian TaxCredit received	370	-
Non-derivative securities	(175,243)	220,249
Net capital (losses)/gains	<u>(92,999)</u>	<u>171,172</u>

4. Revenue

	2014 £'000	2013 £'000
Distributions from authorised ICVCs	36	166
Distributions from overseas investments	33	5
Income from Liquidity funds	585	956
Franked income from UK equity investments	59,752	59,085
Income from overseas equity investments	148,336	120,384
Income paid on contracts for difference	1	(21)
Interest distributions from Investment Trusts	33	37
Interest on amounts held with futures clearing houses and brokers	1	42
Interest on bank and term deposits	347	303
Interest on derivatives	485	(49)
Interest on fixed-interest securities	68,427	58,762
Management fee rebates	62	59
Option income	101	281
Property income distributions	563	495
Stock dividends	683	2,010
Stocklending income	96	280
Underwriting commission	363	179
Total revenue	<u>279,904</u>	<u>242,974</u>

5. Expenses

	2014 £'000	2013 £'000
Payable to the ACD or associate of the ACD:		
ACD fee	109,595	105,892
Fixed expenses	14,754*	12,933
Performance fee	54	-
Stocklending fees	-	42
	<u>124,403</u>	<u>118,867</u>
Professional fees	1	-
	<u>1</u>	<u>-</u>
Total expenses	<u>124,404</u>	<u>118,867</u>

* Includes the ACD paid fees to the auditor of £195,000 for the year ending January 2014.

6. Taxation

	2014 £'000	2013 £'000
a) Analysis of charge in the year		
Corporation tax at 20%	953	477
Double tax relief	(95)	(56)
Overseas tax provision	(282)	158
Overseas tax suffered	16,045	13,091
Prior year adjustments	10	6
Tax on gain in offshore funds	-	(5)
Current year tax charge (Note 6b)	<u>16,631</u>	<u>13,671</u>

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	155,480	124,105
Corporation tax at 20%	<u>31,097</u>	<u>24,825</u>

Effects of:

Dividends not subject to corporation tax	(40,204)	(34,994)
Double tax relief	(95)	(56)
Excess expenses for which no relief taken	20,360	18,908
Expenses not deductible for tax purposes	(3)	-
Interest distributions deductible for tax purposes	(10,181)	(8,178)
Non-trade deficit set against current year income	-	37
Overseas tax expensed	(116)	(103)
Overseas tax provision	(282)	158
Overseas tax suffered	16,045	13,091
Prior year adjustments	10	6
Taxable gain on offshore funds	<u>-</u>	<u>(23)</u>
	<u>(14,466)</u>	<u>(11,154)</u>
Current year tax charge (Note 6a)	<u>16,631</u>	<u>13,671</u>

At the year end date there is a potential unrecognised deferred tax asset in relation to 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. The disclosures for the potential unrecognised deferred tax assets are shown within each individual sub-fund.

7. Finance costs

Distributions

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

	2014 £'000	2013 £'000
First interim distribution	33,716	22,224
Second interim distribution	41,592	30,432
Third interim distribution	30,289	23,528
Final distribution	71,016	65,287
Add: Amounts payable on cancellation of shares	8,733	7,479
Deduct: Amounts receivable on issue of shares	<u>(14,380)</u>	<u>(7,919)</u>
Net distributions for the year	<u>170,966</u>	<u>141,031</u>
Interest	20	2
Total finance costs	<u>170,986</u>	<u>141,033</u>

Notes to the Aggregated Company financial statements – continued

8. Movement between net revenue after taxation and distributions

	2014	2013
	£'000	£'000
Net revenue after taxation	138,849	110,434
Add: ACD fee (net of tax relief) paid from capital	30,950	21,683
Add: Net expense payable from capital	500	8,938
Add: Undistributed revenue brought forward	301	325
Deduct: Prior year adjustment	-	(27)
Deduct: Tax on capital offshore gains	10	(23)
Deduct: Undistributed revenue carried forward	(365)	(299)
Equalisations on conversions	721	-
	<u>170,966</u>	<u>141,031</u>

9. Debtors

	2014	2013
	£'000	£'000
Accrued income	25,648	27,324
Corporation tax recoverable	-	17
Due from brokers on contracts for difference	-	11
Due from the ACD for shares created	47,818	44,504
Income tax recoverable	2	28
Overseas tax recoverable	2,215	1,534
Prepaid expenses	1	-
Property income tax recoverable	239	9
Sales awaiting settlement	65,083	106,791
Total debtors	<u>141,006</u>	<u>180,218</u>

10. Cash and bank balances

	2014	2013
	£'000	£'000
Amounts held at futures clearing houses and brokers	12,637	8,603
Cash and bank balances	131,572	108,120
Total cash and bank balances	<u>144,209</u>	<u>116,723</u>

11. Creditors

	2013	2012
	£'000	£'000
Accrued expenses	10,620	10,397
Corporation tax payable	468	221
Due to brokers on contracts for difference	-	26
Due to the ACD for shares cancelled	30,808	25,359
Income tax payable	3,090	3,889
Purchases awaiting settlement	108,147	199,484
Total creditors	<u>153,133</u>	<u>239,376</u>

12. Portfolio transaction costs

The disclosures for Portfolio transaction costs are shown within each individual sub-fund.

13. Related party transactions

JPMorgan Fund 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.

ACD fees and fixed expenses paid to JPMorgan Funds Limited and their associates are shown in Note 5 and details of shares issued and cancelled by the ACD are shown in the Statement of change in net assets attributable to shareholders. The balance due from the ACD and their associates at the year end in respect of these transactions was £6,399,262 (31.01.13: £8,747,664 due to the ACD).

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

Material holdings in the funds are disclosed in the respective fund's account.

14. Financial instruments

In pursuing its investment objective as stated for each individual sub-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 year.

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 Services 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 sub-funds may invest in fixed and floating rate securities. The income of the sub-fund 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.

Notes to the Aggregated Company financial statements – continued

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 fund 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 sub-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.

In order to trade derivative instruments the ACD enters into an agreement with an approved counterparty. The ACD assesses the credit worthiness of the counterparty, however the sub-fund remains at risk that the counterparty will not settle its obligations under the contract. Any collateral due to or from the sub-fund under the terms of the contract may not be settled.

The sub-funds restrict their exposure to credit losses on derivative instruments by trading via an International Swap and Derivative Association (ISDA) Master Arrangements with each counterparty.

Derivative risk

The company enters into derivative transactions in the form of currency forwards, futures, swaps, contracts for difference, and options for the purpose of efficient portfolio management. The JPM Balanced Total Return Fund, JPM Cautious Managed Fund, JPM Diversified Real Return Fund, JPM Global Equity Absolute Alpha Fund, JPM Multi-Asset Income Fund, JPM Strategic Bond Fund and JPM Sterling Corporate Bond Fund may also enter into derivatives for investment purposes. It is the ACD's intention that the use of derivatives for investment purposes will not materially change the risk profile of these sub-funds.

The sub-funds used the following derivative instruments in the year:

For sub-funds where an element of the investment portfolio is invested in overseas instruments, the Balance sheet can be affected by movements in exchange rates. The ACD may seek to manage exposure to currency movements by using currency forwards or by hedging the sterling value of investments that are priced in other currencies.

Futures provide exposure to underlying securities in an index and act as a more liquid alternative to direct investment. Futures provide an efficient tool to implement future interest and equity movement views, as well as curve selection. The decision to buy or sell futures will be made to benefit from any change in value of the futures (from the underlying capital value).

Swaps are used to express an opinion on the price direction of either a single security or a basket of securities. These instruments are used for capital gains purposes.

The basic rationale for using options is a method of implementing an opinion on the direction of either interest rates or a specific index. Although the ACD may either pay or receive an initial premium in the transaction, the economic impact of the option is influenced by exposure to market movements.

Where derivatives are used, such instruments are inherently volatile and those sub-funds could potentially be exposed to additional risk and costs should the market move against them. In aiming to reduce volatility the ACD utilises a risk management process. The sub-funds that make use of derivatives are required to measure and limit their global exposure arising from these contracts. Exposure is monitored to ensure the sub-fund's exposure is within the limits set out by the ACD, the scheme documents and the COLL Sourcebook. None of the sub-funds have exceeded the limits set during the year.

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.

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 Services 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 IMA in 2010;
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the 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 Services Authority's Collective Investment Schemes Sourcebook. The shareholders of the ICVC are not liable for the debts of the ICVC.



Peter Schwicht
Director
JPMorgan Funds Limited
14 May 2014



Dan Watkins
Director
JPMorgan Funds Limited
14 May 2014

Report of the Depositary to the Shareholders For the year ending 31 January 2014 for the JPMorgan Fund ICVC ('the company')

The depositary is responsible for the safekeeping of all of the property of the company (other than tangible moveable property) which is entrusted to it and for the collection of revenue that arises from that property.

It is the duty of the depositary to take reasonable care to ensure that the company is managed in accordance with the Financial Services Authority's Collective Investment Schemes Sourcebook (COLL), as amended, the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228), as amended ('the OEIC Regulations'), the company's Instrument of Incorporation and Prospectus, in relation to

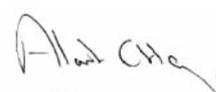
the pricing of, and dealings in, shares in the company; the application of revenue of the company; and the investment and borrowing powers applicable to the company.

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 Authorised Corporate Director:

- (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 revenue in accordance with COLL

and, where applicable, the OEIC Regulations, the Instrument of Incorporation and Prospectus of the company, and

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



National Westminster Bank plc
London
14 May 2014

Independent Auditors' Report to the Members of JPMorgan Fund ICVC

Report on the financial statements

Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view of the financial position of the Company and each of the sub-funds as at 31 January 2014 and of the net revenue/(expenses) and the net capital gains/(losses) of 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, the Statement of Recommended Practice for Authorised Funds, the Collective Investment Schemes sourcebook and the Instrument of Incorporation.

This opinion is to be read in the context of what we say in the remainder of this report.

Emphasis of Matter – Basis of preparation

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in note 1 to the financial statements concerning the going concern basis of accounting for the JPM Balanced Total Return Fund, JPM Emerging Markets Infrastructure Fund, JPM Global Equity Absolute Alpha Fund, JPM Global Mining Fund and JPM UK Equity Fund which have ceased investment activity. Accordingly, the going concern basis of accounting is no longer appropriate and the financial statements have been prepared on a basis other than going concern as described in note 1 to the financial statements. No adjustments have been required in these financial statements to reduce assets to their realisable values, to provide for liabilities arising from the decision and to reclassify fixed assets and long-term liabilities as current assets and liabilities.

What we have audited

The financial statements of JP Morgan Fund ICVC (the “Company”), which are prepared by JP Morgan Funds Limited (the “Authorised Corporate Director”), comprise :

- the aggregated balance sheet of the Company as at 31 January 2014;
- the aggregated statement of total return of the Company for the year then ended;
- the aggregated statement of change in net assets attributable to shareholders of the Company for the year then ended;
- the balance sheets as at 31 January 2014 together with the statements of total return and statements of changes in net assets attributable to shareholders for each of the Company's sub-funds;
- the notes to the Company's financial statements and each of the Company's sub-funds, which include a summary of significant accounting policies and other explanatory information; and
- the distribution tables.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), the Statement of Recommended Practice ‘Financial Statements of Authorised Funds’ issued by the Investment Management Association (the “Statement of Recommended Practice for Authorised Funds”), the Collective Investment Schemes sourcebook and the Instrument of Incorporation.

In applying the financial reporting framework, the Authorised Corporate Director has made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) (ISAs (UK & Ireland)). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the Authorised Corporate Director; and
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Annual Report and Accounts (the “Annual Report”) to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinions on matters prescribed 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; and
- the information given in the Authorised Corporate Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

Other matters on which we are required to report by exception

Propriety of accounting records and information and explanations received

Under the Collective Investment Schemes sourcebook we are 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 and returns.

We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

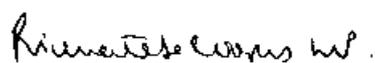
Our responsibilities and those of the Authorised Corporate Director

As explained more fully in the Authorised Corporate Director's Responsibilities Statement set out on page 415, the Authorised Corporate Director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members 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.



PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Edinburgh
14 May 2014

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