



Annual Report & Accounts

JPMorgan Fund II ICVC

30 November 2013

Contents

Authorised Corporate Director's (ACD) Report	2
Investment Adviser's Report for the year ending 30 November 2013 Find out how the markets have performed over the year ending 30 November 2013	3
JPM Balanced Managed Fund	4-15
JPM Europe Smaller Companies Fund	16-24
JPM UK Smaller Companies Fund	25-34
JPM US Smaller Companies Fund	35-44
Aggregated Company financial statements	45-48
Statement of the Authorised Corporate Director	49
Report of the Depositary to the shareholders	49
Independent Auditors' report to the shareholders of JPMorgan Fund II ICVC	50

Telephone lines are recorded and may be monitored for security and training purposes.

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 11 March 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 11 March 2014.

Authorised Corporate Director's (ACD) Report

We are pleased to present the Annual Report & Accounts for JPMorgan Fund II ICVC for the year ended 30 November 2013.

Authorised Status

JPMorgan Fund II ICVC is an Open-Ended Investment Company ("Company") with variable capital, authorised under Regulation 12 of the OEIC Regulations by the Financial Services Authority on 16 May 2002.

The Company was launched as a UCITS Retail Scheme on 7 September 2002 and acts as an umbrella company comprising of four sub-funds. Its registration number is IC127 and its registered address is Finsbury Dials, 20 Finsbury Street, London EC2Y 9AQ.

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.

Each sub-fund has a specific portfolio of securities to which its assets and liabilities are attributable. So far as shareholders are concerned each sub-fund is managed as a separate entity. Each sub-fund has different classes of shares which are applicable to different types of investors.

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.

Changes to the Prospectus

The prospectus has been 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.

JPM Balanced Managed Fund

On 16 August 2013 an EGM was held for the JPM Institutional Balanced Fund (a sub-fund of JPMorgan Fund III ICVC) at which shareholders voted in favour of a proposal to merge this fund with the JPM Balanced Managed Fund. On 31 August 2013 the merger took place, and shares in the JPM Institutional Balanced Fund were replaced with shares of equal value of the JPM Balanced Managed Fund. The launch date of the JPM Balanced Managed Fund was therefore also 31 August 2013.

JPM US Smaller Companies Fund

On 1 November 2013 the benchmark for the JPM US Smaller Companies Fund was amended from the Russell 2000 Growth Index (net of 30% withholding tax) to the customised benchmark Russell 2000 Growth Index (net of 15% withholding tax). This is so the tax rate used to calculate the benchmark is comparable to the rate that the fund suffers in practice.

Management and Administration

Authorised Corporate Director

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

(Authorised and regulated by the Financial Conduct Authority)

Custodian and Bankers

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

(Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation 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
Erskine House, 68-73 Queen Street,
Edinburgh, EH2 4NH

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,



Mr Daniel Watkins

Director
JPMorgan Funds Limited
11 March 2014



Ms Tanaquil McDowall

Director
JPMorgan Funds Limited
11 March 2014

Investment Adviser's Report for the year ending 30 November 2013

Market review

Global equities outperformed fixed income in the 12-month period to the end of November 2013, with the MSCI World Index up 21.1%, compared to the Barclays Global Aggregate Index's 4.5% decline, both in sterling terms (source: Factset, as at 30 November 2013).

Investor sentiment in the 12-month period to the end of November was shaped primarily by growing speculation that the US Federal Reserve (the "Fed") would begin tapering its 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, the vast majority of market participants became convinced that the Fed would taper in September. As a result, Bernanke's decision in September to leave the Fed's asset purchase programme unchanged took markets by surprise.

The Fed's decision may have been influenced by the lack of congressional agreement on raising the debt ceiling - an agreement was eventually reached in October, with the limit on US borrowing raised and default avoided, following a government shutdown that had lasted over two weeks.

The speculation about the scaling back of the Fed's monetary support had a negative effect on the fixed income markets. Faced with the prospect of the Fed reducing its bond purchases, which would drive down bond prices, investors rushed to sell their bond holdings.

Yields on US, UK and German government bonds rose significantly, while emerging market debt investors suffered sizeable losses. The sell-off in emerging market debt continued for most of the period. While corporate bonds were also adversely affected, losses were less severe.

US, European and Japanese equity markets made strong gains in the 12 months to the end of December. Although unemployment remained at a record high in the eurozone, investor sentiment on 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, the eurozone economy finally emerged from recession after 18 months of contraction, while the UK appeared to be recovering at a faster-than-expected rate.

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 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

Investors are looking ahead with a mixture of excitement and trepidation. Excitement, because of the better economic growth environment in the US and in Europe, as well as the improving outlook for corporate earnings growth that should support developed equity markets. But trepidation, not least due to concerns over how bond markets will react when the Federal Reserve begins to wind down its quantitative easing programme.

It is likely that the prospect of Fed tapering will lead to further rises in bond yields during 2014. The US economic recovery should continue to boost US equities, while any upturn in eurozone growth should be positive for the region. Despite the weakness of emerging markets in 2013, emerging market economies remain underpinned by a long-term structural growth story.

Investors are expected to keep a close eye on developments in US-Iran relations, as well as the progress made by Chinese authorities in implementing the reform programme that they have set out. While the planned reforms can be regarded as a good first step towards achieving economic stability, the failure to implement them could have negative effects on both the Chinese and the global economy.

JPMorgan Asset Management (UK) Limited
February 2014

JPM Balanced Managed Fund

Investment objective and policy

The Fund aims to provide long-term capital growth by investing in a global portfolio of assets.

The Fund will primarily invest in Equity and Equity-Linked securities (which may include smaller companies and participation notes) and debt securities (which may include below-investment grade bonds and unrated 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 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.

To enhance investment returns, the Investment Adviser may use long and short positions (achieved through the use of derivatives) to vary asset, currency and market allocations in response to market conditions and opportunities. As a result the Fund may have net long or net short exposure to certain markets, sectors or currencies from time to time.

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 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.

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.

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.

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'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.

Fund review

The US Federal Reserve's announcement that it may begin to taper its large scale asset purchases contributed to a volatile period for global markets, but risk assets were broadly supported by a shift in the global economy towards recovery.

The Fund was restructured on 31 August 2013 to become directly invested. From the restructure date to the end of the review period, the Fund delivered a positive return and outperformed its benchmark. We held an overweight stock versus bond position, in line with our increasingly constructive view on developed market equity. This position contributed positively to performance as equities rose more than bonds. At the regional level, we favoured the US, Europe ex-UK and Japan. We believe that the US has the best economic growth momentum, while debt deleveraging is more advanced than in other developed economies and activity is accelerating.

Fund outlook

Monetary policy remains at a crossroads. Tapering of asset purchases is likely to start in the US over the next few months, but this will still leave US policy very loose, while in other regions central banks remain very accommodative. This continued global policy should remain supportive for risk assets for some time to come. The weight of fiscal austerity on growth is also diminishing. Economic activity is picking up in developed economies, as the US accelerates further going into 2014, Europe recovers slowly from its protracted recession, and Japanese activity strengthens on the back of Abenomics. Worries continue about the health of emerging economies, particularly in countries with current account deficits. Equity valuations remain well supported relative to bonds, and no worse than neutral versus their own history on most other metrics.

Performance to 30 November 2013

Since launch 31.08.13	
JPM Balanced Managed Fund I-Class Acc	8.8%
Since launch 02.09.13	
JPM Balanced Managed Fund C-Class Acc	8.7%
Benchmark Index	7.5%

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 shares. Performance returns are in Sterling.
Source: J.P. Morgan.

Fund statistics

Risk and Reward Profile	5*
Fund size	£32.8m
Benchmark Index	70% MSCI World Index (Net) Hedged to GBP/ 30% J.P. Morgan GBI Global Hedged to GBP
Fund charges	
C-Class	Initial Nil, Annual 0.65%
I-Class	Initial Nil, Annual 0.65%

Top ten holdings

	%
US Treasury 3.5% 2020	2.0
US Treasury 1.5% 2018	1.8
US Treasury 0.625% 2016	1.5
Japan 0.2% 2017	1.4
Italy 3% 2015	1.3
Italy 5.5% 2022	1.3
Germany 0.5% 2017	1.3
Japan 1.9% 2016	1.2
Japan 2.1% 2030	1.2
Italy 4.75% 2021	1.2

Sector breakdown

	%
Equities	68.8
Fixed interest securities	25.5
Forward currency contracts	3.8
Futures	0.6
Net other assets	1.3

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)
C-Class Accumulation Shares^A			
2013 ^B	108.7p	100.2p	0.09p
C-Class Income Shares^A			
2013 ^B	108.7p	100.2p	0.09p
I-Class Accumulation Shares^C			
2013 ^B	652.3p	600.6p	2.18p
I-Class Income Shares^A			
2013 ^B	108.9p	100.2p	0.29p

^A C-Class Accumulation Shares, C-Class Income Shares, and I-Class Income Shares were launched on 2 September 2013.

^B To 30 November.

^C I-Class Accumulation Shares were created on merger on 31 August 2013.

Portfolio turnover rate

30.11.13	28.6%
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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	Transactions Taxes	Total
30.11.13	0.01%	0.00%	0.01%

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

Stamp duty reserve tax

30.11.13	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.

Net asset values and Ongoing charges

Date	Net asset value per share class £'000	Number of shares	Net asset value per share	Ongoing charges
C-Class Accumulation Shares				
30.11.13	1	1,000	108.6p	0.83%
C-Class Income Shares				
30.11.13	1	1,000	108.5p	0.83%
I-Class Accumulation Shares				
30.11.13	32,797	5,030,931	651.9p	0.65%
I-Class Income Shares				
30.11.13	1	1,000	108.5p	0.65%

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.

* 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>

Portfolio statement

As at 30 November 2013

Investment	Holding	Market value £'000	Total net assets %	Investment	Holding	Market value £'000	Total net assets %
Equities – 68.8%							
United States of America – 35.8%							
3M	187	15	-	Dow Chemical	1,933	46	0.1
Abbott Laboratories	2,779	65	0.2	Dr Pepper Snapple Group	1,623	48	0.2
Actavis	574	58	0.2	DTE Energy	716	29	0.1
Adobe Systems	1,792	62	0.2	Du Pont de Nemours	277	10	-
Agco	263	9	-	Duke Energy	386	17	0.1
Air Products & Chemicals	466	31	0.1	Eaton	1,087	48	0.1
Alcoa	5,795	34	0.1	eBay	2,114	64	0.2
Alexion Pharmaceutical	654	49	0.2	Edison International	1,097	31	0.1
Allergan	820	49	0.2	EMC	2,948	43	0.1
Alliance Data System	212	31	0.1	Emerson Electric	2,217	92	0.3
Amazon	523	124	0.4	EOG Resources	568	58	0.2
Ameren	306	7	-	Everest Re Group	54	5	-
American Campus Communities	167	3	-	Extra Space Storage	700	18	0.1
American Electric Power	1,223	35	0.1	ExxonMobil	4,613	265	0.8
American Express	337	18	0.1	Facebook 'A'	1,584	45	0.1
American Tower	218	10	-	Fedex	316	27	0.1
American Water Works	733	19	0.1	Fidelity National Information Services	346	11	-
Anadarko Petroleum	1,158	63	0.2	Flowserve	317	14	-
Apartment Investment & Management 'A'	616	10	-	Fluor	1,487	71	0.2
Apple	1,111	371	1.1	Freeport-McMoRan Copper & Gold	2,274	48	0.2
Applied Materials	3,772	40	0.1	Freescale Semiconductor	713	6	-
Archer-Daniels-Midland	1,802	46	0.1	Gap	260	6	-
AT&T	3,522	76	0.2	General Dynamics	670	38	0.1
Autonation	200	6	-	General Electric	8,243	135	0.4
Autozone	154	43	0.1	General Mills	2,722	84	0.3
Avery Dennison	118	4	-	General Motors	3,510	83	0.3
Avnet	128	3	-	Genpact	642	7	-
Axiall	477	13	-	Gilead Sciences	1,043	48	0.2
Axis Capital	424	13	-	Goldman Sachs Group	508	52	0.2
Baker Hughes	317	11	-	Google 'A'	390	254	0.8
Ball	812	25	0.1	Grainger (W.W.)	339	54	0.2
Bank of America	18,008	174	0.5	Halliburton	1,881	60	0.2
Baxter International	708	30	0.1	Hartford Financial Services Group	1,220	27	0.1
BB&T	2	-	-	Health Care Property Investors	1,071	24	0.1
Berkshire Hathway 'B'	895	64	0.2	Hess	337	17	0.1
Biogen Idec	540	97	0.3	Hewlett Packard	2,736	46	0.1
BioMarin	143	6	-	Highwoods Properties	655	15	-
Block (H & R)	3	-	-	Hollyfrontier	216	7	-
Boeing	50	4	-	Home Depot	2,690	133	0.4
Boston Properties	216	13	-	Honeywell International	1,978	108	0.3
Brandywine Realty Trust	1,967	16	0.1	Host Hotels & Resorts	1,875	21	0.1
Bristol-Myers Squibb	3,639	115	0.4	Humana	773	49	0.2
Broadcom 'A'	239	4	-	IBM	692	76	0.2
CA Technologies	396	8	-	Intel	1,757	26	0.1
Cable & Associates Properties	956	11	-	IntercontinentalExchange	449	59	0.2
Camden Property Trust	215	8	-	International Paper	549	16	0.1
Capital One Financial	1,557	68	0.2	Intuitive Surgical	44	10	-
Caterpillar	295	15	-	Invesco	1,939	42	0.1
CBS 'B'	1,685	61	0.2	Johnson & Johnson	4,286	249	0.8
Celgene	1,004	99	0.3	Johnson Controls	1,765	55	0.2
Cerner	661	23	0.1	KBR	17	-	-
CF Industries	67	9	-	Kellogg	617	23	0.1
Cheniere Energy	550	14	-	Kimberly-Clark	765	51	0.2
Chevron	2,465	185	0.6	Kimco Realty	1,582	20	0.1
Cigna	374	20	0.1	KLA-Tencor	210	8	-
Cisco Systems	7,935	103	0.3	Kroger	1,129	29	0.1
Citigroup	5,384	175	0.5	L-3	220	14	-
Citrix Systems	727	26	0.1	Lam Research	1,325	42	0.1
CMS Energy	2,408	39	0.1	Lennar	918	20	0.1
Coca-Cola	4,165	102	0.3	Lincoln National	689	22	0.1
Coca-Cola Enterprises	955	25	0.1	LinkedIn 'A'	201	27	0.1
Cognizant Technology Solutions	973	56	0.2	Lowe's	2,665	78	0.2
Colgate-Palmolive	258	10	-	Lululemon Athletica	160	7	-
Comcast 'A'	4,364	133	0.4	Macy's	1,438	47	0.1
Comcast 'A' Speical	560	17	0.1	Magna International Voting 'A'	326	16	0.1
Comerica	821	23	0.1	Marathon Oil	1,754	39	0.1
ConocoPhillips	751	33	0.1	Marathon Petroleum	1,151	59	0.2
Corning	1,709	18	0.1	Marriott International 'A'	210	6	-
Costco Wholesale	745	57	0.2	Marsh & McLennan	1,860	54	0.2
Crown	777	21	0.1	Marvell	307	3	-
CSX	4,735	79	0.2	Masco	3,475	48	0.1
CVS Caremark	2,662	109	0.3	MasterCard	172	80	0.2
Dana Holding	505	6	-	McDonald's	464	28	0.1
Deere & Co	429	22	0.1	McGraw-Hill	190	9	-
Delta Air Lines	714	13	-	McKesson	620	63	0.2
Denbury Resources	432	4	-	Merck & Co	2,871	88	0.3
Digital Realty Trust	422	12	-	Mettlife	2,864	92	0.3
Dish Network 'A'	852	28	0.1	Mettler Toledo	252	38	0.1
				Michael Kors	150	8	-
				Microsoft	10,763	248	0.8
				Molson Coors Brewing 'B'	544	18	0.1

Portfolio statement – continued

As at 30 November 2013

Investment	Holding	Market value		Total net assets %	Investment	Holding	Market value		Total net assets %
		£'000					£'000		
Mondelez International	4,134	86	0.3	Visa 'A'	838	105	0.3		
Monsanto	953	66	0.2	Vmware 'A'	404	20	0.1		
Morgan Stanley	3,995	77	0.2	Wal-Mart Stores	1,053	52	0.2		
National Fuel Gas	140	6	-	Walt Disney	2,573	111	0.3		
NetApp	420	11	-	Wells Fargo	8,024	217	0.7		
Nextera Energy	1,496	78	0.2	Williams Companies	1,316	28	0.1		
Nisource	2,493	48	0.1	Xcel Energy	1,802	31	0.1		
Nordstrom	710	27	0.1	Xerox	1,617	11	-		
Norfolk Southern	1,325	71	0.2	Xilinx	1,854	51	0.2		
Occidental Petroleum	1,602	93	0.3	XL Group	500	10	-		
Omnicom Group	358	16	0.1	Yum Brands	897	43	0.1		
Oracle	6,326	137	0.4	Zoetis	824	16	0.1		
Owens-Illinois	470	10	-						
Paccar	2,145	75	0.2	United Kingdom – 7.0%					
Parker-Hannifin	176	13	-	3i Group	12,440	46	0.1		
PartnerRe	103	6	-	Anglo American	1,619	22	0.1		
PepsiCo	2,529	131	0.4	Associated British Foods	2,447	56	0.2		
Perrigo	480	46	0.1	AstraZeneca	521	18	0.1		
Petsmart	54	2	-	Aveva Group	1,242	28	0.1		
Pfizer	4,435	87	0.3	Barclays	20,362	55	0.2		
Philip Morris International	2,783	146	0.4	Barratt Development	11,157	37	0.1		
Phillips 66	580	25	0.1	BG Group	4,017	51	0.2		
PNC Financial Services Group	1,210	57	0.2	BHP Billiton	992	19	0.1		
Post Properties	357	9	-	BP	19,028	92	0.3		
Priceline.com	93	68	0.2	Brammer	8,477	38	0.1		
Procter & Gamble	3,615	186	0.6	British American Tobacco	3,433	112	0.3		
Prologis	1,200	28	0.1	BT Group	19,315	72	0.2		
Prudential Financial	876	48	0.1	Burberry Group	2,262	35	0.1		
Public Storage	79	7	-	Debenhams	29,680	29	0.1		
Pulte Group	1,949	22	0.1	Diageo	3,642	71	0.2		
QEP Resources	532	10	-	Dominos Pizza	6,001	33	0.1		
Qualcomm	2,736	123	0.4	Enasco 'A'	976	36	0.1		
Questar	1,125	16	0.1	GlaxoSmithKline	4,020	65	0.2		
Range Resources	121	6	-	Glencore International	7,817	24	0.1		
RenaissanceRe	369	21	0.1	HSBC	24,459	167	0.5		
Rock-Tenn 'A'	2	-	-	Intercontinental Hotels Group	1,663	32	0.1		
Ross Stores	464	22	0.1	ITV	25,355	48	0.1		
Royal Caribbean Cruises	1,016	28	0.1	Lloyds Banking Group	24,707	19	0.1		
Sandisk	469	19	0.1	Noble	1,736	41	0.1		
Schlumberger	2,333	126	0.4	Partnership Assurance Group	7,052	22	0.1		
Sealed Air	190	4	-	Pearson	2,483	33	0.1		
Sempra Energy	1,019	55	0.2	Petrofac	1,940	25	0.1		
Sherwin-Williams	125	14	-	Prudential	3,021	39	0.1		
Simon Property Group	541	50	0.2	Rio Tinto	1,293	43	0.1		
Snap-On	100	6	-	Rolls Royce Group	4,465	56	0.2		
Southwest Airlines	736	9	-	Rolls Royce Group 'C'	383,990	-	-		
Splunk	257	11	-	Royal Dutch Shell 'A'	4,704	97	0.3		
SPX	638	37	0.1	Royal Dutch Shell 'B'	3,799	82	0.3		
Starbucks	1,227	61	0.2	SABMiller	2,814	89	0.3		
Starwood Hotels & Resorts	663	30	0.1	Sainsbury (J)	7,998	33	0.1		
State Street	1,615	72	0.2	Shire	2,341	64	0.2		
Stryker	876	40	0.1	SIG	17,266	37	0.1		
SunTrust Banks	1,933	43	0.1	Standard Chartered	1,923	28	0.1		
Superior Energy Services	162	3	-	Tate & Lyle	5,141	40	0.1		
SVB Financial Group	241	15	-	Tesco	4,401	15	-		
Target	99	4	-	Vodafone Group	70,567	161	0.5		
TD Ameritrade	1,386	25	0.1	WH Smith	4,106	39	0.1		
Teradyne	1,150	12	-	Whitbread	1,262	45	0.1		
Textron	459	9	-	William Hill	10,148	39	0.1		
The Mosaic Company	413	12	-	Wolseley	1,125	38	0.1		
The Travelers Companies	130	7	-						
Thermo Fisher Scientific	837	52	0.2	Japan – 6.6%					
Time Warner	2,498	100	0.3	Asahi Breweries	1,700	28	0.1		
Time Warner Cable	678	57	0.2	Dai-ichi Life Insurance	5,443	26	0.1		
TJX Companies	2,107	82	0.3	Dai-ichi Life Insurance	4,500	43	0.1		
Toll Brothers	339	7	-	Daikin Industries	1,300	50	0.2		
Twitter	100	3	-	Daiwa House Industry	2,629	31	0.1		
UGI	90	2	-	Dentsu	2,000	51	0.2		
Union Pacific	1,100	110	0.3	East Japan Railway	1,100	55	0.2		
United Continental	421	10	-	Electric Power Development	1,900	34	0.1		
United Parcel Service 'B'	182	11	-	Fujitsu	15,000	43	0.1		
United States Steel	910	15	-	Hirose Electric	363	34	0.1		
United Technologies	1,954	133	0.4	Hitachi	15,000	68	0.2		
UnitedHealth Group	2,405	109	0.3	Honda Motor	3,200	83	0.3		
URS	259	8	-	Japan Tobacco	3,500	72	0.2		
Valero Energy	1,181	33	0.1	JFE	3,000	41	0.1		
Ventas	713	25	0.1	JX Holdings	12,900	41	0.1		
Verizon Communications	3,938	120	0.4	KDDI	1,600	61	0.2		
Vertex Pharmaceutical	731	31	0.1	Kyowa Hakko Kirin	6,536	47	0.1		
VF	458	66	0.2	Mabuchi Motor Co	1,000	37	0.1		
Viacom 'B' Non-Voting	72	4	-	Marui Group	5,200	33	0.1		

Portfolio statement – continued

As at 30 November 2013

Investment	Holding	Market value		Total net assets %	Investment	Holding	Market value		Total net assets %
		£'000					£'000		
Mitsubishi Gas Chemical	5,443	26		0.1	Bank of Nova Scotia	1,560	59		0.2
Mitsubishi Heavy Industries	13,000	51		0.2	Barrick Gold	1,382	14		-
Mitsubishi UFJ Financial Group	15,700	62		0.2	BCE	341	9		-
Mitsui & Co	5,200	44		0.1	Bombardier	1,912	5		-
Mitsui Fudosan	2,721	57		0.2	Brookfield Asset Management 'A'	752	18		0.1
Mori Seiki	3,400	35		0.1	Cameco Corporation	543	7		-
Nishi-Nippon City Bank	17,000	27		0.1	Canadian Imperial Bank of Commerce	552	29		0.1
Nissan Motor	3,200	18		0.1	Canadian National Railways	587	40		0.1
Nitto Denko	1,200	37		0.1	Canadian Natural Resources	1,480	29		0.1
Nomura	5,000	24		0.1	Canadian Oil Sands	639	7		-
North Pacific Bank	12,200	29		0.1	Canadian Pacific Railways	232	22		0.1
ORIX	4,800	54		0.2	Cenovus Energy	1,029	18		0.1
Otsuka	2,800	50		0.2	Crescent Point Energy	475	11		-
Ricoh	5,536	39		0.1	Eldorado Gold	942	3		-
Sega Sammy	1,800	29		0.1	Enbridge	1,016	25		0.1
Sekisui Chemical	5,443	39		0.1	Encana	996	12		-
Seven & I	2,600	59		0.2	First Quantum Minerals	616	6		-
Softbank	2,000	99		0.3	Fortis	253	5		-
Sumitomo Bakelite	15,000	33		0.1	Franco-Nevada	201	5		-
Sumitomo Chemical	19,000	47		0.1	Goldcorp	1,104	15		-
Sumitomo Mitsui Financial Group	2,800	85		0.3	Great West Lifeco	384	7		-
Sumitomo Rubber Industries	2,000	17		0.1	Husky Energy	453	8		-
Suzuken	2,100	44		0.1	Imperial Oil	410	11		-
Tokyo Gas	12,000	37		0.1	Intact Financial	178	7		-
Toyota Motor	4,100	156		0.5	Kinross Gold	1,561	4		-
					Magna International	101	5		-
Germany – 3.2%					Manulife Financial	2,434	29		0.1
Allianz	926	99		0.3	Metro	131	5		-
BASF	1,853	121		0.4	National Bank of Canada	221	12		-
Bayer	1,721	140		0.4	Pembina Pipeline	398	8		-
BMW	721	51		0.2	Potash Corporation of Saskatchewan	1,149	22		0.1
Brenntag	398	43		0.1	Power Corporation of Canada	466	9		-
Continental	522	67		0.2	Power Financial Corporation	329	7		-
Deutsche Bank	1,032	30		0.1	Rogers Communications 'B'	518	14		-
Deutsche Telekom	2,626	25		0.1	Royal Bank of Canada	1,961	80		0.2
E.ON	2,296	27		0.1	Saputo	177	5		-
HeidelbergCement	566	27		0.1	Shaw Communications 'B'	510	7		-
Henkel Non-Voting Preference	1,265	88		0.3	Shoppers Drug Mart	277	9		-
Metro	1,603	49		0.2	Silver Wheaton	486	6		-
SAP	1,724	88		0.3	SNC-Lavalin Group	209	6		-
Siemens	589	48		0.1	Sun Life Financial	806	17		0.1
SKY Deutschland	6,493	40		0.1	Suncor Energy	2,145	45		0.1
Volkswagen Non-Voting Preference	385	63		0.2	Talisman Energy	1,442	10		-
					Teck Resources 'B'	785	12		-
Switzerland – 2.8%					Thomson Reuters	507	12		-
ACE	1,373	87		0.3	TIM Hortons	209	7		-
Cembra Money Bank	343	13		-	Toronto-Dominion Bank	1,243	69		0.2
Compagnie Financiere Richemont 'A'	857	54		0.2	Transcanada	951	26		0.1
Credit Suisse Group	3,922	72		0.2	Valeant Pharmaceuticals International	813	54		0.2
Holcim	636	28		0.1	Yamana Gold	1,054	6		-
Nestle	3,642	163		0.6					
Novartis	3,825	185		0.6	Australia – 1.9%				
Roche (Genusscheine)	819	140		0.4	AMP	12,842	33		0.1
Swiss Re	1,390	76		0.2	Australia & New Zealand Bank Group	5,554	99		0.3
TE Connectivity	360	12		-	BHP Billiton	5,483	114		0.4
Tyco International	871	20		0.1	Commonwealth Bank of Australia	1,136	49		0.2
UBS	2,068	24		0.1	Goodman Group Stapled Units	9,335	25		0.1
					GPT Group	15,244	30		0.1
France – 2.5%					Insurance Australlia Group	2,810	9		-
AXA	4,636	75		0.2	National Australia Bank	964	19		0.1
BNP Paribas	1,656	77		0.2	Origin Energy	4,762	37		0.1
Bouygues	1,711	40		0.1	Rio Tinto	1,336	49		0.2
Compagnie de Saint-Gobain	513	17		0.1	Wesfarmers	2,491	60		0.2
EDF	2,414	55		0.2	Westpac Banking	1,913	35		0.1
GDF Suez	4,954	70		0.2					
Lafarge	944	41		0.1	Netherlands – 1.3%				
LVMH	156	18		0.1	Aegon	7,766	42		0.1
Numericable Group	124	3		-	Ahold	4,638	52		0.2
Renault	771	42		0.1	ASML	680	39		0.1
Sanofi	930	61		0.2	EADS	2,052	90		0.3
Schneider Electric	1,563	81		0.2	Philips	2,770	61		0.2
Societe Generale	1,565	56		0.2	PostNL	11,985	43		0.1
Sodexo	589	36		0.1	Unilever	3,609	87		0.3
Thales	1,546	58		0.2					
TOTAL S.A.	2,502	93		0.3	Italy – 0.8%				
					Assicurazioni Generali	3,122	44		0.1
Canada – 2.1%					Enel	10,141	29		0.1
Agnico Eagle Mines	232	4		-	ENI	5,486	82		0.3
Agrium	199	11		-	Intesa Sanpaolo	13,717	21		0.1
Alimentation Couche-Tard 'B'	178	8		-	Telecom Italia	13,980	8		-
ARC Resources	397	7		-	Unicredit	14,408	65		0.2
Bank of Montreal	873	37		0.1					

Portfolio statement – continued

As at 30 November 2013

Investment	Holding	Market value £'000	Total net assets %
Spain – 0.8%			
Banco Bilbao Vizcaya Argentaria	5,988	44	0.1
Banco Santander	7,535	42	0.1
Bankia	37,962	31	0.1
Distribuidora Internacional de Alimentación	8,038	45	0.1
Iberdrola	5,679	22	0.1
Repsol YPF	3,436	55	0.2
Telefonica	4,626	47	0.1
Hong Kong – 0.7%			
Aia Group	10,000	31	0.1
Cheung Kong	4,536	44	0.1
Hang Seng Bank	4,400	44	0.1
Hutchison Whampoa	8,164	64	0.2
Power Assets Holdings	7,500	37	0.1
Wharf	4,536	23	0.1
Denmark – 0.6%			
Chr. Hansen	1,166	26	0.1
Danske Bank	4,774	66	0.2
Novo-Nordisk 'B'	849	93	0.3
Singapore – 0.6%			
Avago Technologies	1,620	44	0.1
CapitaMalls Asia	23,000	23	0.1
DBS Group	6,350	53	0.2
Global Logistic Properties	21,000	30	0.1
Singapore Exchange	6,350	22	0.1
Belgium – 0.5%			
Anheuser-Busch InBev	285	18	0.1
Solvay	572	53	0.2
UCB	1,217	50	0.2
Sweden – 0.4%			
Electrolux 'B'	2,386	36	0.1
Ericsson 'B'	5,726	44	0.1
Nordea Bank	9,488	75	0.2
Finland – 0.3%			
Nokian Renkaat	714	22	0.1
Outokumpu 'A'	36,383	12	-
Stora Enso 'R'	4,228	26	0.1
UPM-Kymmene	4,361	44	0.1
Norway – 0.2%			
Telenor	3,398	50	0.2
China – 0.1%			
Sands China	8,800	41	0.1
Luxembourg – 0.1%			
ArcelorMittal	3,717	39	0.1
Ireland – 0.1%			
Ryanair Holdings ADR	1,273	37	0.1
Austria – 0.1%			
Andritz	865	34	0.1
Portugal – 0.1%			
Energias de Portugal	14,649	34	0.1
New Zealand – 0.1%			
Telecom Corporation of New Zealand	29,037	33	0.1
Israel – 0.1%			
Teva Pharmaceutical Industries ADR	1,088	27	0.1
Government bonds – 25.5%			
US Dollar – 8.6%			
US Treasury 2.375% 2014	\$650,000	406	1.2
US Treasury 0.625% 2016	\$800,000	492	1.5
US Treasury 1.5% 2018	\$970,000	600	1.8
US Treasury 3.5% 2020	\$970,000	653	2.0
US Treasury 1.75% 2022	\$450,000	260	0.8
US Treasury 6.125% 2029	\$150,000	123	0.4
US Treasury 3.75% 2041	\$500,000	305	0.9

Investment	Holding	Market value £'000	Total net assets %
Euro – 7.8%			
France 4.75% 2035	€70,000	73	0.2
Germany 0.5% 2017	€500,000	418	1.3
Germany 5.625% 2028	€207,315	244	0.7
Germany 4.75% 2034	€200,000	225	0.7
Italy 3% 2015	€500,000	431	1.3
Italy 4.75% 2021	€450,000	407	1.2
Italy 5.5% 2022	€450,000	423	1.3
Spain 4.1% 2018	€400,000	356	1.1
Japanese Yen – 6.7%			
Japan 1.9% 2016	¥65,000,000	407	1.2
Japan 0.2% 2017	¥77,000,000	462	1.4
Japan 1% 2020	¥44,500,000	278	0.9
Japan 0.8% 2023	¥48,000,000	293	0.9
Japan 1.9% 2023	¥20,000,000	134	0.4
Japan 2.1% 2030	¥60,000,000	407	1.2
Japan 1.9% 2042	¥17,000,000	107	0.3
Japan 1.9% 2043	¥20,000,000	126	0.4
Sterling – 2.0%			
Treasury 8.75% 2017	£140,000	179	0.5
Treasury 8% 2021	£72,000	101	0.3
Treasury 5% 2025	£100,000	120	0.4
Treasury 4.25% 2032	£220,000	246	0.8
Canadian Dollar – 0.4%			
Canada 2.75% 2022	CAD 220,000	130	0.4
Forward currency contracts – 3.8%			
Australian Dollar			
Sell AUD 456,847 buy CAD 448,301 dated 18/12/13		5	-
Sell AUD 1,388,973 buy £802,250 dated 18/12/13		30	0.1
Sell AUD 186,990 buy ¥17,307,968 dated 18/12/13		-	-
Canadian Dollar			
Buy CAD 456,373 sell £271,442 dated 18/12/13		(8)	-
Sell CAD 71,777 buy AUD 73,790 dated 18/12/13		-	-
Sell CAD 91,709 buy AUD 95,639 dated 18/12/13		-	-
Sell CAD 2,775,925 buy £1,681,397 dated 18/12/13		77	0.2
Sell CAD 184,973 buy NOK 1,046,905 dated 18/12/13		(2)	-
Sell CAD 185,603 buy \$178,489 dated 18/12/13		2	-
Danish Krone			
Sell DKK 1,457,650 buy £166,207 dated 18/12/13		3	-
Euro			
Buy €844,831 sell £715,405 dated 18/12/13		(12)	-
Sell €194,025 buy AUD 276,451 dated 18/12/13		(8)	-
Sell €75,327 buy CAD 106,291 dated 18/12/13		(1)	-
Sell €70,604 buy CHF 87,031 dated 18/12/13		-	-
Sell €198,537 buy CHF 244,057 dated 18/12/13		-	-
Sell €7,720,978 buy £6,556,394 dated 18/12/13		124	0.4
Sell €79,620 buy NOK 655,103 dated 18/12/13		(1)	-
Sell €74,896 buy NZD 123,033 dated 18/12/13		(1)	-
Sell €195,388 buy SEK 1,715,999 dated 18/12/13		(2)	-
Sell €64,592 buy \$89,216 dated 18/12/13		1	-
Hong Kong Dollar			
Sell HKD3,844,763 buy £318,584 dated 18/12/13		15	-
Japanese Yen			
Buy ¥43,088,561 sell £271,630 dated 18/12/13		(14)	-
Sell ¥19,394,808 buy AUD 207,718 dated 18/12/13		(1)	-
Sell ¥868,975,458 buy £5,602,237 dated 18/12/13		401	1.2
Sell ¥26,029,455 buy NZD 316,833 dated 18/12/13		2	-
Sell ¥14,457,739 buy \$148,171 dated 18/12/13		4	-
New Zealand Dollar			
Buy NZD 1,488,637 sell £773,562 dated 18/12/13		(33)	(0.1)
Sell NZD 123,506 buy AUD 110,730 dated 18/12/13		-	-
Sell NZD 549,053 buy AUD 486,133 dated 18/12/13		(3)	-
Sell NZD 121,416 buy CAD 105,939 dated 18/12/13		1	-
Sell NZD 208,746 buy CAD 179,251 dated 18/12/13		-	-
Sell NZD 58,553 buy £29,966 dated 18/12/13		1	-
Sell NZD 648,004 buy ¥51,923,526 dated 18/12/13		(11)	-
Sell NZD 107,432 buy NOK 545,772 dated 18/12/13		1	-
Sell NZD 107,432 buy \$89,592 dated 18/12/13		1	-
Norwegian Krone			
Buy NOK 10,495,840 sell £1,105,088 dated 18/12/13		(58)	(0.2)
Sell NOK 366,988 buy AUD 65,359 dated 18/12/13		-	-
Sell NOK 1,072,974 buy CAD 184,623 dated 18/12/13		-	-
Sell NOK 3,239,689 buy CHF 482,850 dated 18/12/13		4	-
Sell NOK 1,896,605 buy £231,375 dated 18/12/13		4	-
Sell NOK 542,876 buy NZD 109,724 dated 18/12/13		-	-
Sell NOK 622,579 buy \$100,980 dated 18/12/13		-	-
Sell NOK 2,117,471 buy \$351,821 dated 18/12/13		4	-

Portfolio statement – continued

As at 30 November 2013

Investment	Holding	Market value £'000	Total net assets %
Singapore Dollar			
Sell SGD 275,578 buy £139,094 dated 18/12/13		5	-
Swedish Krone			
Buy SEK 3,395,853 sell £331,527 dated 18/12/13		(14)	-
Sell SEK 579,269 buy AUD 94,015 dated 18/12/13		(2)	-
Sell SEK 539,001 buy CHF 76,305 dated 18/12/13		1	-
Sell SEK 1,711,115 buy CHF 234,535 dated 18/12/13		(1)	-
Sell SEK 1,109,976 buy €125,684 dated 18/12/13		1	-
Sell SEK 1,192,965 buy £111,360 dated 18/12/13		-	-
Sell SEK 1,528,697 buy £148,343 dated 18/12/13		5	-
Sell SEK 670,191 buy ¥10,050,858 dated 18/12/13		(3)	-
Sell SEK 1,069,556 buy \$165,512 dated 18/12/13		1	-
Sell SEK 2,400,773 buy \$361,634 dated 18/12/13		(3)	-
Swiss Franc			
Buy CHF 132,718 sell £91,027 dated 18/12/13		(1)	-
Sell CHF 145,554 buy AUD 170,646 dated 18/12/13		(4)	-
Sell CHF 509,838 buy €413,762 dated 18/12/13		(1)	-
Sell CHF 3,064,317 buy £2,105,178 dated 18/12/13		30	0.1
Sell CHF 109,067 buy NOK 715,297 dated 18/12/13		(3)	-
Sell CHF 77,081 buy SEK 555,333 dated 18/12/13		-	-
Sell CHF 103,121 buy \$114,943 dated 18/12/13		1	-
Sell CHF 232,891 buy \$257,372 dated 18/12/13		-	-
US Dollars			
Buy \$6,657,161 sell £4,235,040 dated 18/12/13		(160)	(0.5)
Sell \$679,515 buy AUD 722,670 dated 18/12/13		(14)	-
Sell \$345,766 buy CAD 361,996 dated 18/12/13		(3)	-
Sell \$164,862 buy CHF 147,896 dated 18/12/13		(1)	-
Sell \$250,745 buy CHF 226,726 dated 18/12/13		-	-
Sell \$91,263 buy €67,157 dated 18/12/13		-	-
Sell \$30,755,167 buy £19,679,244 dated 18/12/13		853	2.6
Sell \$183,186 buy ¥18,164,523 dated 18/12/13		(3)	-
Sell \$242,928 buy NOK 1,443,285 dated 18/12/13		(5)	-
Sell \$417,514 buy NZD 507,159 dated 18/12/13		(3)	-
Sell \$95,065 buy SEK 623,074 dated 18/12/13		-	-
Futures – 0.6%			
Euro Stoxx 50 Index Futures Dec 2013	12	14	-
FTSE 100 Index Futures Dec 2013	(2)	2	-
Hang Seng Index Futures Dec 2013	(7)	(5)	-
Russell 2000 Mini Futures Dec 2013	9	52	0.2
S&P500 E-Mini Futures Dec 2013	25	52	0.2
SPI 200 Futures Dec 2013	6	(2)	-
Topix Index Futures Dec 2013	12	55	0.2
US 10 Year Note Futures Mar 2014	(10)	2	-
US 2 Year Note Futures Mar 2014	(7)	-	-
Investment assets (including investment liabilities)		32,360	98.7
Net other assets		440	1.3
Net assets		32,800	100.0

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

Portfolio credit ratings	Market value £'000
AAA	3,450
AA+	719
AA	406
AA-	2,214
BBB+	1,261
BBB	356
Total bonds	8,406
Equities	22,583
Fixed interest securities	8,406
Forward currency contracts	1,201
Futures	170
Investment assets (including investment liabilities)	32,360

Counterparty exposure

Counterparty	Forward currency contracts £'000	Futures contracts £'000	Total £'000
Bank of America	-	-	-
Barclays	(2)	-	(2)
BNP Paribas	8	-	8
CitiGroup	(1)	-	(1)
Credit Suisse	(38)	-	(38)
Deutsche Bank	3	-	3
Goldman Sachs	1,373	177	1,550
HSBC	(50)	-	(50)
JP Morgan	-	-	-
RBC	(2)	-	(2)
Societe Generale	4	-	4
State Street	(105)	-	(105)
Toronto Dominion Bank	23	-	23
Westpac Banking Corp	(1)	-	(1)
UBS	(11)	-	(11)

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 period from 31 August to 30 November 2013

	£'000		£'000
Total of all purchases for the period (Note 10)	5,309	Total of all sales for the period (Note 10)	5,177
Major purchases	Cost	Major sales	Proceeds
US Treasury 1.5% 2018	613	France FRN 2032	137
US Treasury 0.625% 2016	507	Japan 0.8% 2023	116
Germany 0.5% 2017	417	IBM	81
Spain 4.1% 2018	358	Target	69
US Treasury 3.5% 2020	255	Central Japan Railway	62
Nordea Bank	72	Swedbank 'A'	62
GDF Suez	71	Sanofi	59
East Japan Railway	59	Air Products & Chemicals	54
Costco Wholesale	57	ConocoPhillips	53
Marsh & McLennan	52	Coca-Cola	53
Monsanto	51	Broadcom 'A'	51
Ahold	50	Goldman Sachs Group	49
Facebook 'A'	46	Aon	49
UCB	45	Merck & Co	48
Avago Technologies	44	Covidien	48
Marathon Oil	44	Intesa Sanpaolo	45
Xilinx	44	Iberdrola	43
SunTrust Banks	43	Google 'A'	42
Perrigo	43	Cameron International	41
Sands China	41	Halliburton	41

Financial statements

Statement of total return

For the period from 31 August to 30 November 2013

	£'000	2013 £'000
Income		
Net capital gains (Note 1)		2,422
Revenue (Note 2)	187	
Expenses (Note 3)	(51)	
Net revenue before taxation	136	
Taxation (Note 4)	(26)	
Net revenue after taxation		110
Total return before distributions		2,532
Finance costs: Distributions (Note 5)		(110)
Change in net assets attributable to shareholders from investment activities		2,422

Statement of change in net assets attributable to shareholders

For the period from 31 August to 30 November 2013

	£'000	2013 £'000
Opening net assets attributable to shareholders		-
Amounts transferred from JPM Institutional Balanced Fund		30,640
Amounts receivable on issue of shares	189	
Amounts payable on cancellation of shares	(561)	
		(372)
Change in net assets attributable to shareholders from investment activities (see above)		2,422
Retained distributions on accumulation shares		110
Closing net assets attributable to shareholders		32,800

Balance sheet

As at 30 November

	£'000	2013 £'000
ASSETS		
Investment assets		32,744
Debtors (Note 7)	483	
Cash and bank balances (Note 8)	523	
Total other assets		1,006
Total assets		33,750
LIABILITIES		
Investment liabilities		(384)
Creditors (Note 9)	(566)	
Total other liabilities		(566)
Total liabilities		(950)
Net assets attributable to shareholders		32,800

The notes to these financial statements are shown on pages 13 to 14.

Notes to the financial statements for the period from 31 August to 30 November 2013

1. Net capital gains

	2013 £'000
Currency losses	(10)
Derivative contracts	219
Forward currency contracts	1,399
Non-derivative securities	814
Net capital gains	<u>2,422</u>

2. Revenue

	2013 £'000
Franked income from UK equity investments	10
Income from overseas equity investments	97
Interest on fixed-interest securities	80
Total revenue	<u>187</u>

3. Expenses

	2013 £'000
Payable to the ACD or associate of the ACD:	
ACD fee	51
Total expenses	<u>51</u>

4. Taxation

	2013 £'000
a) Analysis of charge in the period	
Corporation tax at 20%	6
Overseas tax suffered	20
Current period tax charge (Note 4b)	<u>26</u>

b) Factors affecting the tax charge for the period

The tax assessed for the period 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	<u>136</u>
Corporation tax at 20%	<u>27</u>
Effects of:	
Dividends not subject to corporation tax	(21)
Overseas tax suffered	20
	<u>(1)</u>
Current year tax charge (Note 4a)	<u>26</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:

	2013 £'000
Final dividend distribution	109
Add: Amounts payable on cancellation of shares	<u>1</u>
Total finance costs	<u>110</u>

Details of the distribution per share are set out on page 15.

6. Movement between net revenue after taxation and distributions

	2013 £'000
Net revenue after taxation	<u>110</u>

7. Debtors

	2013 £'000
Accrued income	138
Due from the ACD for shares created	60
Overseas tax recoverable	1
Sales awaiting settlement	280
Prepaid expenses	4
Total debtors	<u>483</u>

8. Cash and bank balances

	2013 £'000
Amounts held at futures clearing houses and brokers	105
Cash and bank balances	418
Total cash and bank balances	<u>523</u>

9. Creditors

	2013 £'000
Accrued expenses	18
Corporation tax payable	6
Due to the ACD for shares cancelled	40
Purchases awaiting settlement	502
Total creditors	<u>566</u>

10. Portfolio transaction costs

	2013 £'000
Analysis of total purchase costs	
Purchases before transaction costs	<u>5,307</u>
Commissions	1
Taxes	1
Total purchase costs	<u>2</u>
Gross purchases total	<u>5,309</u>
Analysis of total sale costs	
Gross sales before transaction costs	<u>5,177</u>
Commissions	(1)
Total sale costs	<u>(1)</u>
Total sales net of transaction costs	<u>5,176</u>

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 from the ACD and their associates at the Period end date in respect of related party transactions was £2,171.

The creation of the JPM Balanced Managed Fund on the 31 August 2013 via a merger with the JPM Institutional Balanced Fund is deemed a related party transfer with a value of £30,640,770. Details of related party transactions are given under note 13 on page 47.

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

Scottish Widows Unit Funds Limited 69.52%

Scottish Widows Plc 14.05%

Currency	Total liabilities £'000	Floating rate financial liabilities £'000	Financial liabilities not carrying any interest £'000
30.11.13			
US Dollar	183	-	183
UK Sterling	101	-	101
Euro	123	-	123
Japanese Yen	47	-	47
Norwegian Krone	-	-	-
Australian Dollar	29	-	29
Hong Kong Dollar	41	-	41
Danish Krone	33	-	33
New Zealand Dollar	-	-	-
Swiss Franc	9	-	9
Swedish Krona	-	-	-

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
30.11.13			
US Dollar	15,791	4	15,787
Euro	5,863	46	5,817
Japanese Yen	4,716	(3)	4,719
Canadian Dollar	1,099	6	1,093
Swiss Franc	782	1	781
Australian Dollar	552	9	543
Hong Kong Dollar	342	19	323
Danish Krone	156	(33)	189
Swedish Krona	154	-	154
Singapore Dollar	134	1	133
New Zealand Dollar	10	-	10
Norwegian Krone	(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
30.11.13				
US Dollar	15,974	73	2,840	13,061
Euro	5,986	20	2,577	3,389
Japanese Yen	4,763	26	2,214	2,523
UK Sterling	3,303	350	646	2,307
Canadian Dollar	1,099	4	130	965
Swiss Franc	791	10	-	781
Australian Dollar	581	8	-	573
Hong Kong Dollar	383	31	-	352
Danish Krone	189	-	-	189
Swedish Krona	154	-	-	154
Singapore Dollar	134	1	-	133
Norwegian Krone	(1)	-	-	(1)
New Zealand Dollar	10	-	-	10

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

Currency	Fixed rate financial assets	
	Weighted average interest rate	Weighted average period for which rate is fixed (years)
30.11.13		
Canadian Dollar	2.4%	8.5
Euro	2.3%	8.0
Japanese Yen	0.6%	10.1
UK Sterling	2.5%	11.4
US Dollar	1.5%	7.5

For consideration of other risks including liquidity, pricing and credit risk, please refer to the notes to the aggregated financial statements, pages 46 to 48.

13. Share classes

The Fund currently has two share classes; 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 C shares:	0.65%	0.18%
Class I shares:	0.65%	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 5. 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 and/or efficient portfolio management including hedging, where appropriate. The mark to market approach has been used to calculate the global exposure to counterparties.

The Investment Adviser assesses the market risk of the Fund's investments, including derivative exposure, using historical simulation methodology. This process provides an estimate of the maximum potential loss that could be expected to occur as a result of changes in market prices over a given period of time in all but a given percentage of circumstances. The VaR is calculated on a 99% confidence level with a 20 day horizon & 250 days of history. As at the balance date the VaR was 4.93%.

Further information on the derivative risks can be found in the notes to the aggregated financial statements on page 46.

Distribution tables

Final distribution in pence per share

Group 1 – Shares created on merger 31 August 2013

Group 2 – Shares purchased 1 September 2013 to 30 November 2013

	Gross revenue	Tax at 10%	Net revenue	Equalisation	Distribution payable 28.02.14
I-Class Accumulation Shares					
Group 1	2.422222	0.242222	2.180000	-	2.180000
Group 2	0.376730	0.037673	0.339057	1.840943	2.180000

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

Final distribution in pence per share

Group 1 – Shares purchased on launch date 2 September 2013

Group 2 – Shares purchased 3 September 2013 to 30 November 2013

	Gross revenue	Tax at 10%	Net revenue	Equalisation	Distribution payable 28.02.14
C-Class Accumulation Shares					
Group 1	0.100000	0.010000	0.090000	-	0.090000
Group 2	0.100000	0.010000	0.090000	0.000000	0.090000
C-Class Income Shares					
Group 1	0.100000	0.010000	0.090000	-	0.090000
Group 2	0.100000	0.010000	0.090000	0.000000	0.090000
I-Class Income Shares					
Group 1	0.322222	0.032222	0.290000	-	0.290000
Group 2	0.322222	0.032222	0.290000	0.000000	0.290000

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 Smaller Companies Fund

Investment objective and policy

To provide long-term capital growth by investing primarily in European smaller companies.

European smaller 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.

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 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.

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

Continental European small cap stocks had a very strong 12 months as risk appetite was boosted by receding fears of a eurozone breakup, an improving global backdrop and central bank support.

The Fund, which invests in attractively valued, high quality small cap stocks with positive momentum, outperformed its benchmark. Positive contributors to relative returns included stock selection in the banks sector and an overweight position in the automobiles & parts sector. Stock selection and an underweight in media detracted, as did stock selection in construction & materials.

At the stock level, the Fund benefited in relative terms from an overweight position in auto parts maker Plastic Omnium, which saw strong organic growth, supported by recovering European auto demand. Not holding Bankia was also positive as the nationalised Spanish lender fell after listing 11.5 billion new shares as part of a capital increase and mandatory debt-for-equity swap. Stock level detractors from relative returns included an overweight position in MTU Aero Engines, the German engine maker, which issued a 2013 profit warning in July, citing weak demand in its spare parts business, and also warned of possible headwinds to 2014 earnings growth. Not holding Mediaset was also detrimental after the Italian broadcaster posted a narrower nine month loss compared to the same period a year earlier, as cost cutting helped to offset the effect of a declining audience share. However, relative returns were boosted by the Fund's overweight position in online fashion retailer Yoox, which benefited from strong sales growth, led by rising demand in Italy and North America.

Fund outlook

Europe has made significant progress in tackling its structural problems, while European small cap companies are well placed to benefit from the regional economic recovery.

12 month performance to 30 November

	2013	2012	2011	2010	2009
JPM Europe Smaller Companies Fund					
A-Class Acc	43.0%	6.4%	-15.0%	15.4%	41.4%
JPM Europe Smaller Companies Fund					
B-Class Acc	43.5%	-	-	-	-
JPM Europe Smaller Companies Fund					
C-Class Acc	44.0%	-	-	-	-
JPM Europe Smaller Companies Fund					
I-Class Acc	43.9%	7.1%	-14.4%	16.2%	43.4%
Benchmark Index	40.8%	9.0%	-12.8%	5.2%	63.1%

Fund statistics

Risk and Reward Profile	6*
Fund size	£111.8m
Benchmark Index	HSBC Smaller European Companies ex UK (Net)
Fund charges	
A-Class	Initial 4.25%, Annual 1.50%
B-Class	Initial Nil, Annual 1.00%
C-Class	Initial Nil, Annual 0.75%
I-Class	Initial Nil, Annual 1.00%

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.

Top ten holdings (excluding Liquidity funds) %

Duerr	2.8
USG People	2.8
Bankinter	2.8
NCC 'B'	2.7
WireCard	2.6
Drillisch	2.6
Hellenic Exchanges	2.3
Gamesa	2.3
Jumbo	2.2
Aareal Bank	2.2

Geographical breakdown %

Germany	18.5
Italy	13.0
Netherlands	11.1
Sweden	11.1
France	10.8
Switzerland	8.7
Greece	6.7
Spain	6.2
Denmark	4.4
Liquidity funds	3.4
Ireland	2.2
Finland	1.9
Norway	1.6
Austria	1.5
Belgium	1.0
Portugal	0.2
Net other liabilities	(2.3)

Highest/lowest share price and distribution record

Calendar year	Highest share price	Lowest share price	Distribution per share (net)
A-Class Accumulation Shares			
2008	372.6p	185.9p	3.22p
2009	310.4p	176.1p	2.32p
2010	369.8p	270.7p	1.23p
2011	394.3p	264.8p	2.50p
2012	306.8p	255.1p	1.83p
2013 ^A	429.0p	307.7p	1.52p
A-Class Income Shares			
2008	50.71p	25.31p	0.41p
2009	41.63p	23.61p	0.32p
2010	48.93p	36.00p	0.16p
2011	52.22p	34.75p	0.31p
2012	40.09p	33.50p	0.25p
2013 ^A	56.00p	40.16p	0.20p
B-Class Accumulation Shares^B			
2012	307.0p	281.9p	1.94p
2013 ^A	430.5p	308.0p	2.82p
C-Class Accumulation Shares^C			
2012	307.2p	282.0p	2.02p
2013 ^A	432.2p	308.2p	4.16p
C-Class Income Shares^C			
2012	40.06p	37.04p	0.27p
2013 ^A	56.35p	40.19p	0.54p
I-Class Accumulation Shares			
2008	727.8p	364.2p	10.15p
2009	616.7p	344.6p	11.99p
2010	740.8p	540.0p	6.57p
2011	791.7p	533.9p	9.68p
2012	623.1p	516.2p	7.55p
2013 ^A	876.0p	625.1p	7.88p

^A To 30 November.

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

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

Portfolio turnover rate

30.11.12	742.8%
30.11.13	469.8%

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	Transactions Taxes	Total
30.11.12	0.80%	0.04%	0.84%
30.11.13	0.78%	0.05%	0.83%

The percentage figures disclosed above reflect the total 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

30.11.12	0.00%
30.11.13	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				
30.11.11	92,914	33,445,277	277.8p	1.68%
30.11.12	85,189	28,786,372	295.9p	1.68%
30.11.13	108,825	25,724,202	423.0p	1.68%
A-Class Income Shares				
30.11.11	482	1,321,098	36.48p	1.68%
30.11.12	519	1,344,420	38.62p	1.68%
30.11.13	868	1,578,428	55.02p	1.68%
B-Class Accumulation Shares				
30.11.12	3	1,000	296.0p	1.18%
30.11.13	4	1,000	424.5p	1.18%
C-Class Accumulation Shares				
30.11.12	1	500	296.2p	0.93%
30.11.13	1,353	317,212	426.5p	0.93%
C-Class Income Shares				
30.11.12	1	3,000	38.62p	0.93%
30.11.13	83	150,064	55.06p	0.93%
I-Class Accumulation Shares				
30.11.11	383	68,406	559.9p	1.00%
30.11.12	414	68,829	600.7p	1.00%
30.11.13	609	70,409	864.3p	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 other chargeable operating expenses, 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 in the Ongoing charges figure. The comparative figures have not been restated, and the historic TER is disclosed.

Portfolio statement

As at 30 November 2013

Investment	Holding	Market value £'000	Total net assets %
Germany - 18.5% (25.5%)			
Aareal Bank	107,732	2,412	2.2
Drillisch	160,759	2,883	2.6
Duerr	59,026	3,167	2.8
Freenet	104,277	1,817	1.6
Grammer	26,877	840	0.8
Jungheinrich Non-Voting Preference	15,454	582	0.5
Leoni	51,541	2,362	2.1
Nordex	212,294	1,897	1.7
Norma Group	58,490	1,800	1.6
WireCard	127,214	2,912	2.6
Italy - 13.0% (14.1%)			
Azimut	73,002	1,147	1.0
Banca Generali	70,514	1,230	1.1
Brembo	65,399	1,055	0.9
Danieli & C	84,064	1,626	1.5
Geox	583,242	1,219	1.1
Gruppo Editoriale L'Espresso	898,656	1,064	1.0
Industria Macchine Automatiche	57,305	1,276	1.1
Interpump Goup	150,319	1,057	1.0
SIAS	167,342	1,032	0.9
Sogefi	671,132	2,354	2.1
Yoox	57,818	1,493	1.3
Netherlands - 11.1% (10.1%)			
Aalberts Industries	89,473	1,695	1.5
Aperam	103,394	1,179	1.1
Arcadis	60,657	1,266	1.1
Nutreco	36,655	1,077	1.0
PostNL	461,566	1,667	1.5
Telegraaf Media Groep	91,886	692	0.6
TenCate	950	19	-
TKH Group	80,952	1,703	1.5
USG People	382,317	3,123	2.8
Sweden - 11.1% (3.1%)			
Avanza Bank Holding	30,523	622	0.6
Bilia 'A'	41,976	612	0.5
Fastighets Balder	27,107	151	0.1
Haldex	116,510	637	0.6
Hexpol 'B'	13,964	609	0.5
Intrum Justitia	53,876	854	0.8
JM	51,456	893	0.8
Loomis 'B'	41,970	606	0.5
Modern Times Group 'B'	40,211	1,263	1.1
NCC 'B'	154,085	2,962	2.7
Nibe Industrier 'B'	47,031	660	0.6
Nobia	111,914	594	0.5
Opus Group	70,346	80	0.1
Opus Group Subscription Rights 2013	46,189	1	-
Trelleborg 'B'	150,489	1,792	1.6
Vostok Nafta Investment SDR	15,555	73	0.1
France - 10.8% (10.5%)			
Eiffage	45,413	1,570	1.4
Eurofins Scientific	6,676	1,046	0.9
Haulotte Group	124,227	1,010	0.9
Ipsen	43,674	1,260	1.1
M6-Metropole Television	83,037	1,105	1.0
Plastic Omnium	61,246	1,151	1.0
Saft Groupe	87,820	1,775	1.6
Trigano	119,728	1,583	1.4
Ubisoft Entertainment	207,649	1,661	1.5
Switzerland - 8.7% (12.6%)			
Bucher Industries	10,140	1,704	1.5
EFG International	206,480	1,636	1.5
Fischer (George)	3,891	1,662	1.5
Komax Holding	9,846	923	0.8
Rieter	12,215	1,722	1.5
Temenos Group	70,329	1,140	1.0
Vontobel Holding	46,395	1,051	0.9
Greece - 6.7% (0.0%)			
Duty Free Shops	125,888	2,396	2.2
Hellenic Exchanges	387,725	2,597	2.3
Jumbo	266,023	2,495	2.2

Investment	Holding	Market value £'000	Total net assets %
Spain - 6.2% (1.8%)			
Bankinter	782,922	3,075	2.8
Gamesa	410,111	2,508	2.3
Grupo Catalana Occidente	57,697	1,208	1.1
Denmark - 4.4% (5.6%)			
GN Store Nord	117,433	1,721	1.5
Jyske Bank	71,576	2,363	2.1
Royal Unibrew	10,118	868	0.8
Ireland - 2.2% (2.2%)			
Kingspan Group	224,706	2,405	2.2
Finland - 1.9% (1.5%)			
Caverion	136,217	983	0.9
Cramo	20,660	287	0.3
Sanoma	45,782	272	0.2
Uponor	46,363	580	0.5
Norway - 1.6% (6.2%)			
Storebrand 'A'	465,455	1,751	1.6
Austria - 1.5% (3.3%)			
ams	26,181	1,711	1.5
Immofinanz#	105,745	-	-
Belgium - 1.0% (3.4%)			
CFE	20,017	1,098	1.0
Portugal - 0.2% (0.0%)			
Sonae SGPS	261,373	241	0.2
Liquidity funds - 3.4% (0.0%)			
JPMorgan Euro Liquidity 'X' (Flex Distribution)^	4,500,000	3,749	3.4
Investment assets		114,362	102.3
Net other liabilities		(2,620)	(2.3)
Net assets		111,742	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 30 November 2012.

Unlisted security

^ Deemed to be investment in related parties of the ADC

Portfolio movements

For the year ending 30 November 2013

	£'000		£'000
Total of all purchases for the year (Note 10)	251,131	Total of all sales for the year (Note 10)	257,301
Major purchases	Cost	Major sales	Proceeds
JPMorgan Euro Liquidity 'X' (Flex Distribution)^	15,233	JPMorgan Euro Liquidity 'X' (Flex Distribution)^	11,538
Leoni	6,063	TGS Nopec Geophysical	6,362
Modern Times Group 'B'	5,663	MTU Aero Engines	6,090
Trelleborg 'B'	5,199	Pandora	5,469
WireCard	4,749	Symrise	5,004
NCC 'B'	4,511	Outotec	4,906
Jyske Bank	4,504	Modern Times Group 'B'	4,531
GN Store Nord	4,391	Freenet	4,402
Bankinter	4,149	Trelleborg 'B'	4,205
Outotec	4,060	Unit 4	4,168
Freenet	3,861	WireCard	3,910
Gamesa	3,842	Leoni	3,659
TGS Nopec Geophysical	3,740	Delta Lloyd	3,652
Duerr	3,617	GAM	3,579
PostNL	3,579	GN Store Nord	3,414
Pandora	3,431	PostNL	3,347
MTU Aero Engines	3,240	Paddy Power	3,201
Storebrand 'A'	3,217	SBM Offshore	3,199
Aareal Bank	2,958	Topdanmark	3,150
Nordex	2,941	SKY Deutschland	3,141

^ Deemed to be investment in related parties of the ACD

Financial statements

Statement of total return

For the year ending 30 November

	£'000	2013 £'000	£'000	2012 £'000
Income				
Net capital gains (Note 1)		34,395		4,958
Revenue (Note 2)	2,266		2,220	
Expenses (Note 3)	(1,651)		(1,485)	
Net revenue before taxation	615		735	
Taxation (Note 4)	(171)		(158)	
Net revenue after taxation		444		577
Total return before distributions		34,839		5,535
Finance costs: Distributions (Note 5)		(442)		(578)
Change in net assets attributable to shareholders from investment activities		34,397		4,957

Balance sheet

As at 30 November

	£'000	2013 £'000	£'000	2012 £'000
ASSETS				
Investment assets		114,362		86,083
Debtors (Note 7)	891		1,801	
Cash and bank balances (Note 8)	126		623	
Total other assets		1,017		2,424
Total assets		115,379		88,507
LIABILITIES				
Creditors (Note 9)	(3,633)		(2,377)	
Distribution payable on income shares	(4)		(3)	
Total liabilities		(3,637)		(2,380)
Net assets attributable to shareholders		111,742		86,127

The notes to these financial statements are shown on pages 22 to 23.

Statement of change in net assets attributable to shareholders

For the year ending 30 November

	£'000	2013 £'000	£'000	2012 £'000
Opening net assets attributable to shareholders		86,127		93,779
Amounts receivable on issue of shares	4,702		527	
Amounts payable on cancellation of shares	(13,893)		(13,667)	
		(9,191)		(13,140)
Change in net assets attributable to shareholders from investment activities (see above)		34,397		4,957
Retained distributions on accumulation shares		409		532
Stamp duty reserve tax		-		(1)
Closing net assets attributable to shareholders		111,742		86,127

Notes to the financial statements for the year ending 30 November 2013

1. Net capital gains

	2013	2012
	£'000	£'000
Currency (losses)/gains	(54)	124
Non-derivative securities	34,449	4,834
Net capital gains	<u>34,395</u>	<u>4,958</u>

2. Revenue

	2013	2012
	£'000	£'000
Income from overseas equity investments	1,916	1,975
Interest on bank and term deposits	1	1
Interest on fixed-interest securities	-	21
Stock dividends	325	185
Stocklending income	24	38
Total revenue	<u>2,266</u>	<u>2,220</u>

3. Expenses

	2013	2012
	£'000	£'000
Payable to the ACD or associate of the ACD:		
ACD fee	1,473	1,320
Fixed expenses	176	158
Stocklending fees	2	7
Total expenses	<u>1,651</u>	<u>1,485</u>

4. Taxation

	2013	2012
	£'000	£'000
a) Analysis of charge in the year		
Overseas tax provision	-	15
Overseas tax suffered	171	143
Current year tax charge (Note 4b)	<u>171</u>	<u>158</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	<u>615</u>	<u>735</u>
Corporation tax at 20%	<u>123</u>	<u>147</u>
Effects of:		
Dividends not subject to corporation tax	(448)	(411)
Excess expenses for which no relief taken	325	264
Overseas tax provision	-	15
Overseas tax suffered	171	143
	<u>48</u>	<u>11</u>
Current year tax charge (Note 4a)	<u>171</u>	<u>158</u>

No deferred tax asset has been recognised in the financial statements. At the year end date, the Fund had a deferred tax asset of £1,197,098 (30.11.12: £871,977) in relation to £5,985,488 (30.11.12: £4,359,887) 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:

	2013	2012
	£'000	£'000
Final dividend distribution	414	535
Add: Amounts payable on cancellation of shares	61	44
Deduct: Amounts receivable on issue of shares	(33)	(1)
Total finance costs	<u>442</u>	<u>578</u>

Details of the distribution per share are set out on page 24.

6. Movement between net revenue after taxation and distributions

	2013	2012
	£'000	£'000
Net revenue after taxation	444	577
Add: Undistributed revenue brought forward	-	1
Deduct: Undistributed revenue carried forward	(2)	-
	<u>442</u>	<u>578</u>

7. Debtors

	2013	2012
	£'000	£'000
Accrued income	-	20
Due from the ACD for shares created	107	4
Overseas tax recoverable	153	174
Sales awaiting settlement	631	1,603
Total debtors	<u>891</u>	<u>1,801</u>

8. Cash and bank balances

	2013	2012
	£'000	£'000
Cash and bank balances	<u>126</u>	<u>623</u>

9. Creditors

	2013	2012
	£'000	£'000
Accrued expenses	147	116
Due to the ACD for shares cancelled	67	138
Purchases awaiting settlement	3,419	2,123
Total creditors	<u>3,633</u>	<u>2,377</u>

Notes to the financial statements – continued

10. Portfolio transaction costs

	2013 £'000	2012 £'000
Analysis of total purchase costs		
Purchases in year before transaction costs	250,758	330,056
Commissions	286	515
Taxes	87	25
Total purchase costs	373	540
Gross purchases total	251,131	330,596
Analysis of total sale costs		
Gross sales before transaction costs	257,592	341,151
Commissions	(290)	(503)
Taxes	(1)	-
Total sale costs	(291)	(503)
Total sales net of transaction costs	257,301	340,648

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 £106,030 (30.11.12: £250,427). Details of related party transactions are given under note 13 on page 47.

Investments considered to be related parties have been identified in the portfolio statement on page 19 and the revenue from these investments was £312 (30.11.12: £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 £99,808 (30.11.12: £546,995). 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 15.10% (30.11.12: 14.60%)

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
30.11.13			
Euro	81,404	(2,295)	83,699
Swedish Krona	12,052	(359)	12,411
Swiss Franc	11,442	(107)	11,549
Danish Krone	5,120	169	4,951
Norwegian Krone	1,809	57	1,752
30.11.12			
Euro	61,368	(48)	61,416
Swiss Franc	11,865	18	11,847
Norwegian Krone	5,354	9	5,345
Danish Krone	4,939	156	4,783
Swedish Krona	2,688	17	2,671

Interest rate risk

At the year end date, 3.5% (30.11.12: 0.7%) of the Fund's net assets by value were interest bearing.

For consideration of other risks including liquidity, pricing and credit risk, please refer to the notes to the aggregated financial statements, pages 46 to 48.

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:	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 18. All classes have the same rights on winding up.

Distribution table

Final distribution in pence per share

Group 1 – Shares purchased prior to 1 December 2012

Group 1 – Shares purchased 1 December 2012 to 30 November 2013

	Gross revenue	Tax at 10%	Net revenue	Equalisation	Distribution payable 28.02.14	Distribution paid 28.02.13
A-Class Accumulation Shares						
Group 1	1.688889	0.168889	1.520000	-	1.520000	1.830000
Group 2	0.000000	0.000000	0.000000	1.520000	1.520000	1.830000
A-Class Income Shares						
Group 1	0.222222	0.022222	0.200000	-	0.200000	0.250000
Group 2	0.000000	0.000000	0.000000	0.200000	0.200000	0.250000
B-Class Accumulation						
Group 1	3.133333	0.313333	2.820000	-	2.820000	1.940000
Group 2	3.133333	0.313333	2.820000	0.000000	2.820000	1.940000
C-Class Accumulation						
Group 1	4.622222	0.462222	4.160000	-	4.160000	2.020000
Group 2	0.000000	0.000000	0.000000	4.160000	4.160000	2.020000
C-Class Income Shares						
Group 1	0.600000	0.060000	0.540000	-	0.540000	0.270000
Group 2	0.000000	0.000000	0.000000	0.540000	0.540000	0.270000
I-Class Accumulation Shares						
Group 1	8.755556	0.875556	7.880000	-	7.880000	7.550000
Group 2	8.755556	0.875556	7.880000	0.000000	7.880000	7.550000

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

JPM UK Smaller Companies Fund

Investment objective and policy

To provide long-term capital growth by investing primarily in UK smaller companies.

UK smaller 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. This may include companies listed on AIM or included in the FTSE 250 index.

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 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.

Companies listed on AIM tend to be smaller and early stage companies and may carry greater risks than an investment in a company with a full listing on the London Stock Exchange.

The Fund may take significant positions relative to its Benchmark.

The single market in which the Fund 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

UK small cap stocks delivered very strong returns in the twelve months under review, as risk appetite was boosted by improving domestic and global economic data and continued central bank support.

The Fund, which invests in attractively valued, high quality small cap stocks with positive momentum, produced a strong positive return but underperformed its benchmark. Positive contributors to relative returns included stock selection and an underweight position in the mining sector and stock selection in support services. Stock selection detracted in the electronics & electrical equipment sector, as did stock selection and an underweight in general retailers.

At the stock level, the Fund benefited in relative terms from an overweight position in equipment rental company Ashtead Group, which saw strong earnings growth, helped by the recovery of the US housing market. Not holding Talvivaara Mining was also positive as the UK listed Finnish nickel producer warned it may face bankruptcy after suffering production problems at its Sotkamo mine. Stock level detractors from relative returns included an overweight position in Dialight, the maker of LED lighting, which suffered delays to contracts to provide lights for mobile phone towers, leading to two profit warnings in the period. An underweight position in Pendragon was also detrimental as the UK's largest car dealership benefited from a strong recovery in auto sales. However, relative returns were boosted by the Fund's overweight position in UK tour operator Thomas Cook Group, which introduced a three year recovery plan, resulting in its first full year operating profit since 2010.

Fund outlook

The UK economic recovery is gathering momentum, while improving global economic conditions should also benefit corporate earnings growth prospects.

12 month performance to 30 November

	2013	2012	2011	2010	2009
JPM UK Smaller Companies Fund A-Class Acc	42.8%	20.6%	-4.4%	22.8%	47.0%
JPM UK Smaller Companies Fund B-Class Acc	43.4%	-	-	-	-
JPM UK Smaller Companies Fund C-Class Acc	43.8%	-	-	-	-
JPM UK Smaller Companies Fund I-Class Acc	44.2%	21.9%	-3.4%	24.2%	48.6%
JPM UK Smaller Companies Fund X-Class Inc	44.9%	22.5%	-2.9%	24.8%	49.4%
Benchmark Index	47.2%	28.6%	-7.9%	8.5%	58.8%

Fund statistics

Risk and Reward Profile	6*
Fund size	£133.7m
Benchmark Index	FTSE Small Cap ex Investment Trusts (Net)
Fund charges	
A-Class	Initial 4.25%, 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

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>

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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 relevant JPMorgan Chase & Co. entity.

Top ten holdings

	%
Brammer	3.1
Quintain Estates & Development	2.9
Trinity Mirror	2.7
Tribal Group	2.4
Caracal Energy	2.2
Hyder Consulting	2.2
Ashtead Group	2.1
Pendragon	2.0
Thomas Cook Group	2.0
Novae Group	1.9

Sector breakdown

	%
Industrials	38.1
Consumer services	20.8
Technology	11.3
Oil & gas	11.1
Financials	9.9
Consumer goods	4.2
Basic materials	2.1
Health care	1.7
Utilities	0.3
Net other assets	0.5

Highest/lowest share price and distribution record

Calendar year	Highest share price	Lowest share price	Distribution per share (net)
A-Class Accumulation Shares			
2008	209.8p	109.2p	1.97p
2009	185.8p	102.4p	1.68p
2010	224.8p	164.7p	1.43p
2011	250.3p	190.0p	1.07p
2012	247.9p	198.7p	1.32p
2013 ^B	338.4p	252.5p	0.50p
A-Class Income Shares			
2008	42.68p	21.80p	0.40p
2009	37.15p	20.47p	0.33p
2010	44.20p	32.60p	0.28p
2011	49.20p	37.35p	0.20p
2012	48.20p	38.85p	0.26p
2013 ^B	65.81p	49.11p	0.10p
B-Class Accumulation Shares^C			
2012	248.1p	230.5p	1.42p
2013 ^B	340.0p	252.8p	1.85p
C-Class Accumulation Shares^D			
2012	248.3p	230.6p	1.51p
2013 ^B	341.0p	253.0p	2.60p
C-Class Income Shares^D			
2012	48.23p	45.09p	0.30p
2013 ^B	66.19p	49.14p	0.48p
I-Class Accumulation Shares			
2008	386.2p	203.0p	7.17p
2009	348.8p	190.9p	5.90p
2010	427.5p	311.1p	6.34p
2011	478.6p	364.2p	6.60p
2012	481.7p	382.0p	7.21p
2013 ^B	663.0p	490.8p	6.67p
X-Class Income Shares			
2008	364.2p	184.0p	8.49p
2009	317.9p	173.5p	6.60p
2010	375.2p	277.9p	7.30p
2011	421.2p	319.3p	7.83p
2012	408.6p	329.2p	8.25p
2013 ^B	564.7p	416.4p	8.10p

^B To 30 November 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 22 October 2012.

Portfolio turnover rate

30.11.12	112.4%
30.11.13	117.1%

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	Transactions Taxes	Total
30.11.12	0.13%	0.18%	0.31%
30.11.13	0.13%	0.17%	0.30%

The percentage figures disclosed above reflect the total 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

30.11.12	0.03%
30.11.13	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				
30.11.11	70,688	36,345,028	194.5p	1.67%
30.11.12	73,163	31,137,885	235.0p	1.68%
30.11.13	96,836	28,855,510	335.6p	1.68%
A-Class Income Shares				
30.11.11	664	1,745,227	38.03p	1.68%
30.11.12	808	1,769,094	45.69p	1.68%
30.11.13	1,608	2,467,550	65.16p	1.68%
B-Class Accumulation Shares				
30.11.12	4	1,500	235.1p	1.18%
30.11.13	1,448	429,164	337.3p	1.18%
C-Class Accumulation Shares				
30.11.12	1	500	235.2p	0.93%
30.11.13	1,793	530,046	338.3p	0.93%
C-Class Income Shares				
30.11.12	1	2,500	45.69p	0.93%
30.11.13	214	328,279	65.20p	0.93%
I-Class Accumulation Shares				
30.11.11	20,740	5,552,950	373.5p	0.60%
30.11.12	33,536	7,350,955	456.2p	0.60%
30.11.13	29,961	4,553,150	658.0p	0.60%
X-Class Income Shares				
30.11.11	10,035	3,120,571	321.6p	0.06%
30.11.12	2,548	658,823	386.8p	0.06%
30.11.13	1,874	339,185	552.7p	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 other chargeable operating expenses, 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 in the Ongoing charges figure. The comparative figures have not been restated, and the historic TER is disclosed.

Portfolio statement

As at 30 November 2013

Investment	Holding	Market value £'000	Total net assets %
Industrials - 38.1% (38.0%)			
Aerospace & defence - 2.0%			
Avon Rubber	377,532	2,159	1.6
Senior	190,000	549	0.4
Construction & materials - 1.7%			
Costain	316,000	940	0.7
Galliford Try	51,470	557	0.4
Norcros	3,978,079	855	0.6
Electronics & electrical equipment - 5.6%			
Dialight	180,000	1,686	1.3
E2V Technologies	1,415,516	2,173	1.6
HellermannTyton Group	700,300	2,097	1.6
Xaar	142,340	1,418	1.1
Industrial engineering - 2.6%			
Hill & Smith	443,875	2,352	1.8
Renold	2,015,059	1,018	0.8
Industrial transportation - 1.2%			
Fisher (James) & Sons	47,500	535	0.4
UK Mail Group	184,602	1,105	0.8
Support services - 25.0%			
Ashtead Group	397,000	2,777	2.1
Brammer	913,000	4,097	3.1
Communis	2,258,000	1,264	0.9
Hargreaves Services*	75,831	653	0.5
Harvey Nash Group	665,333	627	0.5
Howden Joinery Group	253,498	815	0.6
Hyder Consulting	471,275	2,912	2.2
Interserve	184,000	1,202	0.9
Lavendon Group	1,133,350	2,023	1.5
Regeneris	161,170	561	0.4
Ricardo	320,400	1,833	1.4
Robert Walters	442,177	1,375	1.0
Smith News	1,088,200	2,389	1.8
Speedy Hire	4,071,000	2,158	1.6
St Ives	1,255,508	2,225	1.7
Staffline Group*	236,500	1,331	0.9
Tribal Group	1,807,000	3,253	2.4
Utilitywise	700,909	1,556	1.2
WYG	417,600	447	0.3
Consumer services - 20.8% (15.2%)			
Food & drug retailers - 0.6%			
Clinigen	148,000	800	0.6
General retailers - 7.2%			
Darty	769,000	667	0.5
Findel	128,524	332	0.2
JD Sports Fashion	314	4	-
Lookers	2,040,000	2,494	1.9
Mothercare	453,000	1,724	1.3
Pendragon	7,628,487	2,651	2.0
Stanley Gibbons	124,200	402	0.3
Topps Tiles	1,092,000	1,308	1.0
Media - 8.0%			
4Imprint Group	303,000	1,879	1.4
Chime Communications	510,300	1,584	1.2
Johnston Press	4,292,709	590	0.4
Mood Media*	43,351	16	-
STV Group	323,629	987	0.7
Tarsus Group	611,803	1,500	1.1
Trinity Mirror	2,039,690	3,651	2.7
UTV Media	304,800	645	0.5
Travel & leisure - 5.0%			
888	542,400	899	0.7
Dart Group	196,556	449	0.3
Fuller Smith & Turner 'A'	120,900	1,197	0.8
Punch Taverns	4,924,953	542	0.4
Rangers International Football Club*	293,840	123	0.1
Snoozebox*	2,819,726	324	0.2
Spirit Pub	1,042,551	756	0.5
Thomas Cook Group	1,497,700	2,649	2.0

Investment	Holding	Market value £'000	Total net assets %
Technology - 11.3% (10.5%)			
Software & computer services - 9.8%			
Advanced Computer Software*	839,000	778	0.6
Anite	677,037	586	0.4
Blinkx	293,400	582	0.4
Fusionex International	237,000	730	0.5
Globo	606,381	402	0.3
Innovation Group	7,140,000	2,410	1.8
lomart Group	548,000	1,408	1.1
Accesso	70,690	470	0.4
LSL Property Services	485,400	2,008	1.5
Micro Focus International	76,615	621	0.5
NCC Group	1,345,000	2,236	1.7
Wandisco	51,100	754	0.6
Technology hardware & equipment - 1.5%			
IQE	1,377,200	351	0.3
Sapura	672,000	837	0.6
Telit Communications*	431,913	790	0.6
Oil & gas - 11.1% (8.7%)			
Oil & gas producers - 7.7%			
Amerisur Resources	1,396,483	674	0.5
Bowleven*	671,900	267	0.2
Caracal Energy	692,110	2,999	2.2
Eland Oil & Gas*	220,200	211	0.2
Exillon Energy	683,067	1,824	1.4
Heritage Oil	1,210,930	1,968	1.5
Iofina	274,955	445	0.3
Ithaca Energy	514,433	751	0.6
Petroceltic International	66,727	99	0.1
Providence Resources*	78,800	200	0.1
Trinity Exploration & Production	194,575	249	0.2
Xcite Energy	499,885	524	0.4
Oil equipment, services & distribution - 3.4%			
Cape*	713,000	1,950	1.5
Lamprell	1,135,400	1,675	1.3
Porvair	316,938	856	0.6
Financials - 9.9% (10.3%)			
Equity investment instruments - 0.0%			
Brookwell Preference‡	54,239	28	-
General financial - 2.0%			
Arrow Global	271,000	706	0.5
Foxtons	46,915	131	0.1
International Personal Finance	107,000	632	0.5
Plus500	425,326	1,182	0.9
Nonlife insurance - 1.9%			
Novae Group	433,480	2,542	1.9
Real estate - 6.0%			
CLS	165,350	2,009	1.5
Development Securities	500,000	1,131	0.8
Quintain Estates & Development	4,165,763	3,874	2.9
St Modwen Properties	167,800	598	0.4
Unite Group	132,200	525	0.4
Consumer goods - 4.2% (5.8%)			
Food producers - 3.9%			
Anglo-Eastern Plantations	82,127	544	0.4
Asian Plantations*	205,091	400	0.3
Greencore Group	466,478	890	0.7
Hilton Food Group	381,559	1,606	1.2
Premier Foods	1,373,000	1,685	1.3
Household goods - 0.3%			
Crest Nicholson	122,000	430	0.3
Homebuy Group 'A'‡	627,897	-	-

Portfolio statement – continued

As at 30 November 2013

Investment	Holding	Market value £'000	Total net assets %
Basic materials – 2.1% (6.1%)			
Chemicals – 2.1%			
Carclo	714,365	2,000	1.5
Elementis	157,200	407	0.3
Treatt	60,300	362	0.3
Health care – 1.7% (2.8%)			
Health care equipment & services – 1.7%			
Vectura Group	2,018,000	2,255	1.7
Utilities – 0.3% (0.3%)			
Electricity – 0.3%			
OPG Power Venture*	582,269	349	0.3
Investment assets		133,056	99.5
Net other assets		678	0.5
Net assets		133,734	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 30 November 2012.

* Listed on Alternative Investment Market (AIM)

‡ Delisted Security

Portfolio movements

For the year ending 30 November 2013

	£'000		£'000
Total of all purchases for the year (Note 10)	83,340	Total of all sales for the year (Note 10)	106,388
Major purchases	Cost	Major sales	Proceeds
JPM Sterling Liquidity 'X' (Distribution)^	22,203	JPM Sterling Liquidity 'X' (Distribution)^	23,603
Caracal Energy	3,376	Thomas Cook Group	6,905
Pendragon	2,752	Greencore Group	4,125
Xaar	2,698	International Personal Finance	2,795
LSL Property Services	2,552	Xaar	2,651
Mothercare	2,504	Sportingbet	2,436
Hellermannntyton Group	2,303	Unite Group	2,023
Heritage Oil	2,130	888	1,941
Speedy Hire	2,079	Fisher (James) & Sons	1,842
Ricardo	1,958	Oxford Instruments	1,804
4Imprint Group	1,784	Diploma	1,615
Premier Foods	1,770	Ashtead Group	1,589
Hill & Smith	1,430	RPC Group	1,428
Communis	1,382	CSR	1,414
Topps Tiles	1,275	Entertainment One	1,414
Aquarius Platinum	1,267	Senior	1,396
UK Mail Group	1,198	Morgan Sindall	1,257
Brammer	1,068	St Modwen Properties	1,215
Porvair	972	Anite	1,129
Robert Walters	859	Hellermannntyton Group	1,098

^ Deemed to be investment in related parties of the ACD

Financial statements

Statement of total return

For the year ending 30 November

	£'000	2013 £'000	£'000	2012 £'000
Income				
Net capital gains (Note 1)		45,570		19,609
Revenue (Note 2)	2,424		2,499	
Expenses (Note 3)	(1,759)		(1,477)	
Finance costs: Interest (Note 5)	(1)		(1)	
Net revenue before taxation	664		1,021	
Taxation (Note 4)	8		(1)	
Net revenue after taxation		672		1,020
Total return before distributions		46,242		20,629
Finance costs: Distributions (Note 5)		(671)		(1,023)
Change in net assets attributable to shareholders from investment activities		45,571		19,606

Balance sheet

As at 30 November

	£'000	2013 £'000	£'000	2012 £'000
ASSETS				
Investment assets		133,056		110,535
Debtors (Note 7)	2,273		746	
Cash and bank balances (Note 8)	-		52	
Total other assets		2,273		798
Total assets		135,329		111,333
LIABILITIES				
Creditors (Note 9)	(1,493)		(1,213)	
Bank overdraft	(70)		-	
Distribution payable on income shares	(32)		(59)	
Total liabilities		(1,595)		(1,272)
Net assets attributable to shareholders		133,734		110,061

The notes to these financial statements are shown on pages 32 to 33.

Statement of change in net assets attributable to shareholders

For the year ending 30 November

	£'000	2013 £'000	£'000	2012 £'000
Opening net assets attributable to shareholders		110,061		102,127
Amounts receivable on issue of shares	7,632		18,961	
Amounts payable on cancellation of shares	(29,962)		(31,541)	
		(22,330)		(12,580)
Change in net assets attributable to shareholders from investment activities (see above)		45,571		19,606
Retained distributions on accumulation shares		470		941
Stamp duty reserve tax		(38)		(33)
Closing net assets attributable to shareholders		133,734		110,061

Notes to the financial statements for the year ending 30 November 2013

1. Net capital gains

	2013	2012
	£'000	£'000
Currency gains	1	-
Non-derivative securities	45,569	19,609
Net capital gains	<u>45,570</u>	<u>19,609</u>

2. Revenue

	2013	2012
	£'000	£'000
Franked income from UK equity investments	1,980	2,228
Income from overseas equity investments	354	242
Interest on bank and term deposits	1	-
Interest on fixed-interest securities	3	7
Stock dividends	63	21
Underwriting commission	23	1
Total revenue	<u>2,424</u>	<u>2,499</u>

3. Expenses

	2013	2012
	£'000	£'000
Payable to the ACD or associate of the ACD:		
ACD fee	1,594	1,331
Fixed expenses	165	146
Total expenses	<u>1,759</u>	<u>1,477</u>

4. Taxation

	2013	2012
	£'000	£'000
a) Analysis of charge in the year		
Overseas tax suffered	(8)	1
Current year tax charge (Note 4b)	<u>(8)</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	664	1,021
Corporation tax at 20%	<u>133</u>	<u>204</u>

Effects of:

Dividends not subject to corporation tax	(476)	(498)
Excess expenses for which no relief taken	343	294
Overseas tax suffered	(8)	1
	<u>(141)</u>	<u>(203)</u>
Current year tax charge (Note 4a)	<u>(8)</u>	<u>1</u>

No deferred tax asset has been recognised in the financial statements. At the year end date, the Fund had a deferred tax asset of £7982,353 (30.11.12: £7,639,301) in relation to £39,911,766 (30.11.12: £38,196,503) 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:

	2013	2012
	£'000	£'000
Final dividend distribution	500	1,000
Add: Amounts payable on cancellation of shares	192	174
Deduct: Amounts receivable on issue of shares	<u>(21)</u>	<u>(151)</u>
Net distributions for the year	<u>671</u>	<u>1,023</u>

Interest	1	1
Total finance costs	<u>672</u>	<u>1,024</u>

Details of the distribution per share are set out on page 34.

6. Movement between net revenue after taxation and distributions

	2013	2012
	£'000	£'000
Net revenue after taxation	672	1,020
Add: Undistributed revenue brought forward	1	4
Deduct: Undistributed revenue carried forward	<u>(2)</u>	<u>(1)</u>
	<u>671</u>	<u>1,023</u>

7. Debtors

	2013	2012
	£'000	£'000
Accrued income	129	131
Due from the ACD for shares created	108	1
Overseas tax recoverable	10	6
Sales awaiting settlement	<u>2,026</u>	<u>608</u>
Total debtors	<u>2,273</u>	<u>746</u>

8. Cash and bank balances

	2013	2012
	£'000	£'000
Cash and bank balances	<u>-</u>	<u>52</u>

9. Creditors

	2013	2012
	£'000	£'000
Accrued expenses	149	119
Due to the ACD for shares cancelled	69	141
Purchases awaiting settlement	<u>1,275</u>	<u>953</u>
Total creditors	<u>1,493</u>	<u>1,213</u>

Notes to the financial statements – continued

10. Portfolio transaction costs

	2013 £'000	2012 £'000
Analysis of total purchase costs		
Purchases in year before transaction costs	83,017	71,855
Commissions	81	62
Taxes	242	206
Total purchase costs	323	268
Gross purchases total	83,340	72,123
Analysis of total sale costs		
Gross sales before transaction costs	106,492	82,508
Commissions	(103)	(79)
Taxes	(1)	(1)
Total sale costs	(104)	(80)
Total sales net of transaction costs	106,388	82,428

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 £110,117 (30.11.12: £259,600). Details of related party transactions are given under note 13 on page 47.

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 £14,151 (30.11.12: £7,315). Commission was paid to the associated company JPMorgan Securities Ltd.

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

FNZ (UK) Nominees Limited 14.89% (30.11.12: 12.85%)
City of Bradford Metropolitan Council 12.09% (30.11.12: 10.18%)

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, (0.1%) (30.11.12: 1.3%) of the Fund's net assets by value were interest bearing.

For consideration of other risks including liquidity, pricing and credit risk, please refer to the notes to the aggregated financial statements, pages 46 to 48.

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

Distribution table

Final distribution in pence per share

Group 1 – Shares purchased prior to 1 December 2012

Group 2 – Shares purchased 1 December 2012 to 30 November 2013

	Gross revenue	Tax at 10%	Net revenue	Equalisation	Distribution payable 28.02.14	Distribution paid 28.02.13
A-Class Accumulation Shares						
Group 1	0.555556	0.055556	0.500000	-	0.500000	1.320000
Group 2	0.173739	0.017374	0.156365	0.343635	0.500000	1.320000
A-Class Income Shares						
Group 1	0.111111	0.011111	0.100000	-	0.100000	0.260000
Group 2	0.029461	0.002946	0.026515	0.073485	0.100000	0.260000
B-Class Accumulation Shares						
Group 1	2.055556	0.205556	1.850000	-	1.850000	1.420000
Group 2	1.534701	0.153470	1.381231	0.468769	1.850000	1.420000
C-Class Accumulation Shares						
Group 1	2.888889	0.288889	2.600000	-	2.600000	1.510000
Group 2	0.851393	0.085139	0.766254	1.833746	2.600000	1.510000
C-Class Income Shares						
Group 1	0.533333	0.053333	0.480000	-	0.480000	0.300000
Group 2	0.059926	0.005993	0.053933	0.426067	0.480000	0.300000
I-Class Accumulation Shares						
Group 1	7.411111	0.741111	6.670000	-	6.670000	7.210000
Group 2	1.510779	0.151078	1.359701	5.310299	6.670000	7.210000
X-Class Income Shares						
Group 1	9.000000	0.900000	8.100000	-	8.100000	8.250000
Group 2	9.000000	0.900000	8.100000	0.000000	8.100000	8.250000

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 Smaller Companies Fund

Investment objective and policy

To provide long-term capital growth by investing primarily in US smaller companies.

US smaller 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.

This Equity based fund invests primarily in those stocks which the Investment Adviser believes to have the potential of above-average growth (growth stocks).

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 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 single market in which the Fund 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.

The Fund may have greater volatility compared to broader market indices as a result of the Fund's focus on growth stocks.

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 equities market rallied for the 12-month period as a variety of concerns failed to materially impact investor sentiment. Assisting the market were record earnings seasons, a resilient consumer and the continued economic recovery.

The Fund generated a strong positive return but lagged its benchmark. Some of the period was challenging for our investment style as a number of holdings with a strong growth tilt were not rewarded by the market.

In contrast to the previous year, our stock selection in the technology sector drove the Fund's underperformance.

On a stock specific basis, Model N was the largest detractor in the technology space as the company faced sales execution challenges. Management has realigned the company, introducing core strategic initiatives to drive growth, and we continue to have conviction in the name.

Fusion-IO also detracted, with revenue challenges and margin compression taking their toll on the stock and the market losing confidence in the ability of the company to diversify its customer base away from Facebook and Apple.

Stock selection in the health care and producer durables sectors added value. In the health care sector, biopharmaceutical company Aegerion Pharmaceutical was the standout performer, driven by strong earnings.

Producer durables name ServiceSource also added value. In particular, the company noted the continued success of its Renew Ondemand service, which has seen 300% year-on-year cumulative bookings growth. We locked in the positive performance later in the year by taking profit.

Fund outlook

As the US equity market flirts with new highs, we continue to believe that equities can go higher. However, given less dominant macro trends, company fundamentals should re-emerge as critical factors in driving stock performance

12 month performance to 30 November

	2013	2012	2011	2010	2009
JPM US Smaller Companies Fund A-Class Acc	39.9%	10.2%	-3.2%	41.3%	30.5%
JPM US Smaller Companies Fund B-Class Acc	40.5%	-	-	-	-
JPM US Smaller Companies Fund C-Class Acc	40.9%	-	-	-	-
JPM US Smaller Companies Fund I-Class Acc	40.8%	11.0%	-2.5%	42.2%	31.4%
Benchmark Index	41.1%	8.8%	3.5%	36.9%	21.8%

Fund statistics

Risk and Reward Profile	6*
Fund size	£81.7m
Benchmark Index	Russell 2000 Growth Index (Net)
Fund charges	
A-Class	Initial 4.25%, Annual 1.50%
B-Class	Initial Nil, Annual 1.00%
C-Class	Initial Nil, Annual 0.75%
I-Class	Initial Nil, Annual 1.00%

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.

Top ten holdings

	%
Middleby	1.8
Acuity Brands	1.8
Trex Company	1.7
Financial Engines	1.7
Acadia Healthcare	1.6
Old Dominion Freight Line	1.6
Envestnet	1.5
Fluidigm	1.5
Novadaq Technologies	1.5
Homeaway	1.5

Sector breakdown

	%
Health care	23.8
Technology	21.6
Industrials	19.5
Consumer services	13.0
Consumer goods	8.7
Financials	7.3
Oil & gas	4.6
Net other assets	1.5

Highest/lowest share price and distribution record

Calendar year	Highest share price	Lowest share price	Distribution per share (net)
A-Class Accumulation Shares			
2008	194.2p	115.1p	0.00p
2009	190.8p	117.3p	0.00p
2010	259.2p	176.8p	0.00p
2011	275.8p	195.1p	0.00p
2012	271.8p	233.4p	0.00p
2013 ^A	355.2p	254.6p	0.00p
A-Class Income Shares			
2008	50.88p	30.14p	0.00p
2009	49.99p	30.73p	0.00p
2010	67.90p	46.33p	0.00p
2011	72.27p	51.10p	0.00p
2012	71.20p	61.15p	0.00p
2013 ^A	93.10p	66.72p	0.00p
B-Class Accumulation Shares^B			
2012	259.6p	244.5p	0.00p
2013 ^A	356.9p	254.9p	0.00p
C-Class Accumulation Shares^C			
2012	262.3p	244.5p	0.00p
2013 ^A	357.8p	254.9p	0.00p
C-Class Income Shares^C			
2012	68.68p	64.06p	0.00p
2013 ^A	93.75p	66.81p	0.00p
I-Class Accumulation Shares			
2008	191.0p	113.9p	0.00p
2009	190.2p	116.3p	0.00p
2010	260.0p	176.4p	0.00p
2011	277.7p	196.6p	0.00p
2012	275.0p	236.5p	0.00p
2013 ^A	363.3p	259.0p	0.00p

^A To 30 November 2013.

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

^C C-Class Accumulation Shares and C-Class Income Shares were launched on 23 October 2012.

Portfolio turnover rate

30.11.12	74.1%
30.11.13	88.5%

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	Transactions Taxes	Total
30.11.12	0.26%	0.00%	0.26%
30.11.13	0.21%	0.00%	0.21%

The percentage figures disclosed above reflect the total 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

30.11.12	0.00%
30.11.13	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				
30.11.11	27,386	11,903,432	230.1p	1.68%
30.11.12	35,871	14,145,148	253.6p	1.68%
30.11.13	55,823	15,732,694	354.8p	1.68%
A-Class Income Shares				
30.11.11	950	1,575,552	60.27p	1.68%
30.11.12	1,846	2,779,905	66.42p	1.68%
30.11.13	2,780	2,988,671	93.00p	1.68%
B-Class Accumulation Shares				
30.11.12	3	1,000	253.7p	1.18%
30.11.13	8,384	2,350,639	356.7p	1.18%
C-Class Accumulation Shares				
30.11.12	6	2,368	253.7p	0.93%
30.11.13	11,900	3,327,627	357.6p	0.93%
C-Class Income Shares				
30.11.12	1	1,500	66.49p	0.93%
30.11.13	416	444,176	93.70p	0.93%
I-Class Accumulation Shares				
30.11.11	2,620	1,128,222	232.3p	1.00%
30.11.12	1,358	526,549	257.9p	1.00%
30.11.13	2,406	662,681	363.1p	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 other chargeable operating expenses, 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 in the Ongoing charges figure. The comparative figures have not been restated, and the historic TER is disclosed.

Portfolio statement

As at 30 November 2013

Investment	Holding	Market value £'000	Total net assets %
Health care - 23.8% (20.2%)			
Health care equipment & services - 13.5%			
Acadia Healthcare	45,614	1,313	1.6
Brüker	48,033	568	0.7
Emeritus	61,628	838	1.0
Fluidigm	62,996	1,234	1.5
Genmark Diagnostics	61,581	450	0.5
Glimcher Realty Trust	52,595	315	0.4
Imris	114,990	103	0.1
Insulet	51,851	1,163	1.4
Novadaq Technologies	115,360	1,193	1.5
Surgical Care Affiliates	25,957	477	0.6
Syneron Medical	69,620	503	0.6
Tandem Diabetes Care	35,202	483	0.6
Tornier	44,267	483	0.6
Unilife	359,426	968	1.2
Wellcare Health Plans	20,937	955	1.2
Pharmaceuticals & biotechnology - 10.3%			
Acadia Pharmaceuticals	33,228	472	0.6
Acceleron Pharma	24,905	328	0.4
Aegerion Pharmaceuticals	13,337	583	0.7
AMAG Pharmaceuticals	36,876	556	0.7
Chimerix	38,844	383	0.5
CubeSmart	38,283	386	0.5
Eastgroup Properties	10,234	382	0.5
Exact Sciences	43,124	323	0.4
Halozyne Therapeutics	94,634	864	1.0
Insmed	46,416	457	0.5
Intrexon	18,565	249	0.3
Keryx Biopharmaceuticals	90,924	738	0.9
Nektar Therapeutics	66,028	498	0.6
Portola Pharmaceuticals	23,508	349	0.4
Puma Biotechnology	11,416	341	0.4
RE/MAX Holdings	29,207	550	0.7
Sagent Pharmaceuticals	28,715	395	0.5
Synta Pharmaceuticals	72,594	230	0.3
Threshold Pharmaceuticals	101,319	299	0.4
Technology - 21.6% (21.4%)			
Software & computer services - 16.0%			
Boingo Wireless	78,800	312	0.4
Broadsoft	49,031	797	1.0
ChannerAdvisor	24,352	510	0.6
CommVault Systems	11,912	546	0.7
Cornerstone OnDemand	26,719	817	1.0
Cyan	59,844	156	0.2
DealerTrack	38,476	985	1.2
Demandware	21,683	759	0.9
Envestnet	51,509	1,260	1.5
FireEye	12,116	283	0.4
Fortinet	31,047	373	0.5
Gigamon	40,105	727	0.9
Guidewire Software	25,655	738	0.9
Imperva	31,747	863	1.0
Infoblox	32,889	646	0.8
Palo Alto Networks	18,721	571	0.7
Qlik Technologies	24,284	368	0.4
Rally Software	43,698	642	0.8
Splunk	16,161	719	0.9
Tableau Software	13,221	533	0.6
Veeva Systems	18,039	463	0.6
Technology hardware & equipment - 5.6%			
Aruba Networks	54,158	587	0.7
Cavium	35,419	793	1.0
Ciena	25,055	338	0.4
Hittite Microwave	16,819	661	0.8
Infinera	78,856	442	0.5
Inphi	109,053	828	1.0
Ruckus Wireless	68,728	557	0.7
Vocera Communications	36,290	388	0.5

Investment	Holding	Market value £'000	Total net assets %
Industrials - 19.5% (19.7%)			
Aerospace & defence - 2.5%			
Heico	29,549	1,033	1.3
Hexcel	38,393	1,029	1.2
Construction & materials - 7.7%			
Acuity Brands	23,000	1,454	1.8
Fortune Brands Home & Security	39,543	1,066	1.3
Generac	30,409	984	1.2
Ply Gem Holdings	40,919	444	0.5
Trex Company	30,794	1,366	1.7
Watsco 'A'	17,169	1,013	1.2
General industrials - 1.1%			
Carlisle Companies	19,258	865	1.1
Industrial engineering - 1.3%			
Graco	23,174	1,096	1.3
Industrial transportation - 3.4%			
Kirby	14,802	854	1.1
Marten Transport	53,430	632	0.7
Old Dominion Freight Line	40,108	1,264	1.6
Support services - 3.5%			
Costar Group	7,483	854	1.1
DXP Enterprises	10,440	622	0.8
MSC Industrial Direct 'A'	14,770	695	0.8
Trueblue	42,774	666	0.8
Consumer services - 13.0% (11.8%)			
Food & drug retailers - 0.2%			
Fairway Group	12,669	143	0.2
General retailers - 7.7%			
Asbury Automotive Group	16,771	532	0.7
Blue Nile	31,291	872	1.1
Container Store Group	11,013	272	0.3
Five Below	33,382	1,094	1.3
Francesca's	49,460	591	0.7
Lumber Liquidators	14,092	873	1.1
Opentable	8,475	434	0.5
Penske Automotive Group	27,559	746	0.9
Rush Enterprises 'A'	48,991	880	1.1
Media - 1.0%			
Reachlocal	108,162	833	1.0
Travel & leisure - 4.1%			
Homeaway	53,088	1,182	1.5
Noodles & Company	14,184	355	0.4
Scientific Games	67,092	738	0.9
Spirit Airlines	36,298	1,032	1.3
Consumer goods - 8.7% (8.4%)			
Food producers - 0.6%			
Annie's	18,470	522	0.6
Household goods - 3.5%			
La-Z-Boy	49,916	903	1.1
Middleby	10,956	1,474	1.8
Tri Pointe Homes	36,698	443	0.6
Personal goods - 2.6%			
Skechers	37,425	778	0.9
Vince Holdings	26,895	488	0.6
Wolverine World Wide	43,661	883	1.1
Leisure goods - 2.0%			
Brunswick	30,632	857	1.0
Pool	22,896	791	1.0

Portfolio statement – continued

As at 30 November 2013

Investment	Holding	Market value £'000	Total net assets %
Financials – 7.3% (9.5%)			
Banks – 0.9%			
Signature Bank	11,737	765	0.9
Equity investment instruments – 0.9%			
Pennantpark Investment	102,671	750	0.9
General financial – 2.5%			
Cohen & Steers	28,561	698	0.8
Financial Engines	32,177	1,345	1.7
Nonlife insurance – 1.0%			
Amtrust Financial Service	30,841	788	1.0
Real estate – 2.0%			
Douglas Emmett	24,201	342	0.4
Highwoods Properties	15,682	348	0.4
Trulia	46,135	975	1.2
Oil & gas – 4.6% (6.3%)			
Oil & gas producers – 2.6%			
Delek US	25,586	475	0.6
Laredo Petroleum	54,408	914	1.1
Oasis Petroleum	26,258	733	0.9
Oil equipment, services & distribution – 2.0%			
Dril Quip	15,745	1,050	1.3
Forum Energy Technologies	33,591	555	0.7
Investment assets		80,482	98.5
Net other assets		1,227	1.5
Net assets		81,709	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 30 November 2012.

Portfolio movements

For the year ending 30 November 2013

	£'000		£'000
Total of all purchases for the year (Note 10)	72,327	Total of all sales for the year (Note 10)	47,073
Major purchases	Cost	Major sales	Proceeds
Five Below	1,221	Conn's	1,544
Francesca's	1,104	Cubist Pharmaceuticals	884
Conn's	974	Armstrong World Industries	851
Homeaway	959	Affiliated Managers Group	801
Skechers	926	Take Two Interactive Software	785
Spirit Airlines	926	Wolverine World Wide	739
Annies	924	Infoblox	727
Hexcel	911	Viropharma	694
Trueblue	907	Opentable	683
Kirby	860	Sourcefire	677
Pool	845	Tesla Motors	668
Trulia	839	Arctic Cat	665
Gigamon	825	Sothebys 'A'	662
Brunswick	816	NetSuite	650
Wolverine World Wide	814	Aegerion Pharmaceuticals	644
Blue Nile	811	WhiteWave Foods	612
Acuity Brands	796	Stifel Financial	593
Rally Software	790	Childrens Place Retail Store	581
Middleby	775	Health Net	554
Guidewire Software	775	Westinghouse Air Brake Technologies	552

Financial Statements

Statement of total return

For the year ending 30 November

	£'000	2013 £'000	£'000	2012 £'000
Income				
Net capital gains (Note 1)		16,685		3,291
Revenue (Note 2)	241		218	
Expenses (Note 3)	(845)		(650)	
Net expenses before taxation	(604)		(432)	
Taxation (Note 4)	(41)		(33)	
Net expenses after taxation		(645)		(465)
Total return before distributions		16,040		2,826
Finance costs: Distributions (Note 5)		(164)		3
Change in net assets attributable to shareholders from investment activities		15,876		2,829

Balance sheet

As at 30 November

	£'000	2013 £'000	£'000	2012 £'000
ASSETS				
Investment assets		80,482		38,507
Debtors (Note 7)	1,263		1,539	
Cash and bank balances (Note 8)	2,234		755	
Total other assets		3,497		2,294
Total assets		83,979		40,801
LIABILITIES				
Creditors (Note 9)	(2,270)		(1,716)	
Total liabilities		(2,270)		(1,716)
Net assets attributable to shareholders		81,709		39,085

The notes to these financial statements are shown on pages 42 to 43.

Statement of change in net assets attributable to shareholders

For the year ending 30 November

	£'000	2013 £'000	£'000	2012 £'000
Opening net assets attributable to shareholders		39,085		30,956
Amounts receivable on issue of shares	62,395		41,364	
Amounts payable on cancellation of shares	(35,647)		(36,064)	
		26,748		5,300
Change in net assets attributable to shareholders from investment activities (see above)		15,876		2,829
Closing net assets attributable to shareholders		81,709		39,085

Notes to the financial statements for the year ending 30 November 2013

1. Net capital gains

	2013	2012
	£'000	£'000
Currency losses	(39)	-
Non-derivative securities	16,724	3,291
Net capital gains	<u>16,685</u>	<u>3,291</u>

2. Revenue

	2013	2012
	£'000	£'000
Income from overseas equity investments	240	172
Interest on bank and term deposits	1	-
Stock dividends	-	46
Total revenue	<u>241</u>	<u>218</u>

3. Expenses

	2013	2012
	£'000	£'000
Payable to the ACD or associate of the ACD:		
ACD fee	753	583
Fixed expenses	92	67
Total expenses	<u>845</u>	<u>650</u>

4. Taxation

	2013	2012
	£'000	£'000
a) Analysis of charge in the year		
Overseas tax suffered	41	33
Current year tax charge (Note 4b)	<u>41</u>	<u>33</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 before taxation	(604)	(432)
Corporation tax at 20%	<u>(121)</u>	<u>(86)</u>

Effects of:

Dividends not subject to corporation tax	(43)	(40)
Excess expenses for which no relief taken	164	126
Overseas tax suffered	41	33
	<u>162</u>	<u>119</u>
Current year tax charge (Note 4a)	<u>41</u>	<u>33</u>

No deferred tax asset has been recognised in the financial statements. At the year end date, the Fund had a deferred tax asset of £2,627,471 (30.11.12: £2,463,055) in relation to £13,137,353 (30.11.12: £12,315,274) 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:

	2013	2012
	£'000	£'000
Add: Amounts payable on cancellation of shares	(190)	(256)
Deduct: Amounts receivable on issue of shares	354	253
Total finance costs	<u>164</u>	<u>(3)</u>

Details of the distribution per share are set out on page 44.

6. Movement between net expenses after taxation and distributions

	2013	2012
	£'000	£'000
Net expenses after taxation	(645)	(465)
Add: Net expense payable from capital	809	462
	<u>164</u>	<u>(3)</u>

7. Debtors

	2013	2012
	£'000	£'000
Accrued income	33	23
Due from the ACD for shares created	988	1,385
Sales awaiting settlement	242	131
Total debtors	<u>1,263</u>	<u>1,539</u>

8. Cash and bank balances

	2013	2012
	£'000	£'000
Cash and bank balances	<u>2,234</u>	<u>755</u>

9. Creditors

	2013	2012
	£'000	£'000
Accrued expenses	93	51
Due to the ACD for shares cancelled	301	410
Purchases awaiting settlement	1,876	1,255
Total creditors	<u>2,270</u>	<u>1,716</u>

Notes to the financial statements – continued

10. Portfolio transaction costs

	2013 £'000	2012 £'000
Analysis of total purchase costs		
Purchases in year before transaction costs	72,271	53,598
Commissions	56	53
Total purchase costs	56	53
Gross purchases total	72,327	53,651
Analysis of total sale costs		
Gross sales before transaction costs	47,112	49,098
Commissions	(38)	(48)
Taxes	(1)	(1)
Total sale costs	(39)	(49)
Total sales net of transaction costs	47,073	49,049

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 £593,912 (30.11.12: £922,899). Details of related party transactions are given under note 13 on page 47.

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 (30.11.12: £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		
	Total £'000	Monetary exposures £'000	Non-monetary exposures £'000
30.11.13			
US Dollar	81,889	1,407	80,482
30.11.12			
US Dollar	39,071	564	38,507

Interest rate risk

At the year end date, 2.7% (30.11.12: 1.9%) of the Fund's net assets by value were interest bearing.

For consideration of other risks including liquidity, pricing and credit risk, please refer to the notes to the aggregated financial statements, pages 46 to 48.

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:	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 37. All classes have the same rights on winding up.

Distribution table

Final distribution in pence per share

Group 1 – Shares purchased prior to 1 December 2012

Group 1 – Shares purchased 1 December 2012 to 30 November 2013

	Gross revenue	Tax at 10%	Net revenue	Equalisation	Distribution payable 28.02.14	Distribution paid 28.02.13
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
I-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

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 30 November

	2013	2012
£'000	£'000	£'000
Income		
Net capital gains (Note 3)	99,072	27,858
Revenue (Note 4)	5,118	4,937
Expenses (Note 5)	(4,306)	(3,612)
Finance costs: Interest (Note 7)	(1)	(1)
Net revenue before taxation	811	1,324
Taxation (Note 6)	(230)	(192)
Net revenue after taxation	581	1,132
Total return before distributions	99,653	28,990
Finance costs: Distributions (Note 7)	(1,387)	(1,598)
Change in net assets attributable to shareholders from investment activities	98,266	27,392

Aggregated statement of change in net assets attributable to shareholders

For the year ending 30 November

	2013	2012
£'000	£'000	£'000
Opening net assets attributable to shareholders	235,273	226,862
Amounts transferred from JPM Institutional Balanced Fund	30,640	-
Amounts receivable on issue of shares	74,918	60,852
Amounts payable on cancellation of shares	(80,063)	(81,272)
	(5,145)	(20,420)
Change in net assets attributable to shareholders from investment activities (see above)	98,266	27,392
Retained distributions on accumulation shares	989	1,473
Stamp duty reserve tax	(38)	(34)
Closing net assets attributable to shareholders	359,985	235,273

Aggregated balance sheet

As at 30 November

	2013	2012
£'000	£'000	£'000
ASSETS		
Investment assets	360,644	235,125
Debtors (Note 9)	4,910	4,086
Cash and bank balances (Note 10)	2,883	1,430
Total other assets	7,793	5,516
Total assets	368,437	240,641
LIABILITIES		
Investment liabilities	(384)	-
Creditors (Note 11)	(7,962)	(5,306)
Bank overdraft	(70)	-
Distribution payable on income shares	(36)	(62)
Total other liabilities	(8,068)	(5,368)
Total liabilities	(8,452)	(5,368)
Net assets attributable to shareholders	359,985	235,273

The notes to these financial statements are shown on pages 46 to 48.

This report has been prepared in accordance with the Financial Services Authority's Collective Investment Schemes Sourcebook and was approved by the Authorised Corporate Director on 11 March 2014.



Mr Daniel Watkins

Director
JPMorgan Funds Limited
11 March 2014



Ms Tanaquil McDowall

Director
JPMorgan Funds Limited
11 March 2014

Notes to the Aggregated Company financial statements for the year ending 30 November 2013

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.
- (b) The aggregate accounts 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 are recognised when the security goes ex-dividend. Interest on deposits and other revenue is accounted for on an accrual 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) Revenue from Stocklending is accounted for gross of bank and agent fees and is recognised on a receipts basis.
- (g) 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.
- (h) 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.
- (i) 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.
- (j) The listed investments of the sub-funds and investments traded on regulated markets have been valued at market value at 12 noon on 29 November 2013. 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 is based on the ACD's assessment of their estimated realisable value. Suspended securities are valued initially at the suspended price but are subject to constant review by the Fair Valuation Pricing committee on a regular basis. Exchange traded derivatives including futures are priced at the market value at 12 noon on 29 November 2013.
- (k) 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 29 November 2013.
- (l) 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.
- (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.
- (c) The ordinary element of stocks received in lieu of cash dividends is recognised as revenue of the respective Fund, and forms part of the distribution. Any excess in value of shares received over the amount of cash forgone is reviewed on a case by case basis and treated appropriately as income or capital.
- (d) Revenue is allocated each day pro rata to the value of assets attributable to each class. The ACD's annual fee is charged to revenue of the respective share class.

3. Net capital gains

	2013 £'000	2012 £'000
Currency (losses)/gains	(102)	124
Derivative contracts	219	-
Forward currency contracts	1,399	-
Non-derivative securities	97,556	27,734
Net capital gains	99,072	27,858

4. Revenue

	2013 £'000	2012 £'000
Franked income from UK equity investments	1,990	2,228
Income from overseas equity investments	2,607	2,395
Interest on bank and term deposits	3	(5)
Interest on fixed-interest securities	83	28
Stock dividends	388	252
Stocklending income	24	38
Underwriting commission	23	1
Total revenue	5,118	4,937

5. Expenses

	2013 £'000	2012 £'000
Payable to the ACD or associate of the ACD:		
ACD fee	3,871	3,234
Fixed expenses	433*	371
Stocklending fees	2	7
Total expenses	4,306	3,612

* The ACD paid fees to the auditor of £22,948 for the year ending November 2013.

Notes to the Aggregated Company financial statements – continued

6. Taxation

	2013	2012
	£'000	£'000
a) Analysis of charge in the year		
Corporation tax at 20%	6	-
Overseas tax provision	-	15
Overseas tax suffered	224	177
Current year tax charge (Note 6b)	<u>230</u>	<u>192</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	811	1,324
Corporation tax at 20%	<u>162</u>	<u>265</u>
Effects of:		
Dividends not subject to corporation tax	(988)	(949)
Excess expenses for which no relief taken	832	684
Overseas tax provision	-	15
Overseas tax suffered	224	177
	<u>68</u>	<u>(73)</u>
Current year tax charge (Note 6a)	<u>230</u>	<u>192</u>

No deferred tax asset has been recognised in the financial statements. At the year end date there is a 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 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/(recoverable) on the cancellation of shares and comprise:

	2013	2012
	£'000	£'000
Dividend distribution	1,023	1,535
Add: Amounts payable/(recoverable) on cancellation of shares	64	(38)
Deduct: Amounts receivable on issue of shares	300	101
Net distributions for the year	<u>1,387</u>	<u>1,598</u>
Interest	1	1
Total finance costs	<u>1,388</u>	<u>1,599</u>

8. Movement between net revenue after taxation and distributions

	2013	2012
	£'000	£'000
Net revenue after taxation	581	1,132
Add: Net expense payable from capital	809	462
Add: Undistributed revenue brought forward	1	5
Deduct: Undistributed revenue carried forward	(4)	(1)
	<u>1,387</u>	<u>1,598</u>

9. Debtors

	2013	2012
	£'000	£'000
Accrued income	300	174
Due from the ACD for shares created	1,263	1,390
Overseas tax recoverable	164	180
Prepaid expenses	4	-
Sales awaiting settlement	3,179	2,342
Total debtors	<u>4,910</u>	<u>4,086</u>

10. Cash and bank balances

	2013	2012
	£'000	£'000
Amounts held at futures clearing houses and brokers	105	-
Cash and bank balances	2,778	1,430
Total cash and bank balances	<u>2,883</u>	<u>1,430</u>

11. Creditors

	2013	2012
	£'000	£'000
Accrued expenses	407	286
Corporation tax payable	6	-
Due to the ACD for shares cancelled	477	689
Purchases awaiting settlement	7,072	4,331
Total creditors	<u>7,962</u>	<u>5,306</u>

12. Portfolio transaction costs

The disclosures for Portfolio transaction costs are shown within each individual sub-fund.

13. Related party transactions

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

ACD fees and fixed expenses paid to JPMorgan Funds Limited and their associates are shown in Note 4 and details of shares issued and cancelled by the ACD are shown in the Statement of change in net assets attributable to shareholders. The balance due from the ACD and their associates at the year end in respect of these transactions was £379,936 (30.11.12: £414,872).

The creation of the JPM Balanced Managed Fund on the 31 August 2013 via a merger with the JPM Institutional Balanced Fund is deemed a related party transfer with a value of £30,640,770.

Material holdings in the funds are disclosed in the respective fund's account.

Notes to the Aggregated Company financial statements – continued

14. Financial instruments

In pursuing its investment objective as stated in the Fund highlights of 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 Conduct Authority's Collective Investment Schemes Sourcebook mitigates the risk of excessive exposure to any particular type of security or issuer.

Foreign currency risk

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

A proportion of some of the Company's investment portfolio's 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 sub-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-funds may be affected by changes to interest rates relevant to particular securities or as a result of the ACD being unable to secure similar returns on the expiry of contracts or sale of securities. The value of fixed interest securities may be affected by interest rate movements or the expectation of such movements in the future. Interest receivable on bank deposits or payable on bank overdraft positions will be affected by fluctuations in interest rates.

See the respective sub-fund for its interest rate profile.

Liquidity risk

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

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

To manage these risks the Investment Manager undertakes detailed research to select appropriate investment opportunities in line with the individual 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.

Derivative risk

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

Fair value of financial assets and financial liabilities

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

Statement of the Authorised Corporate Director

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

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

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

- comply with the Prospectus, 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 October 2010;
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on 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 Conduct Authority's Collective Investment Schemes Sourcebook. The shareholders of the ICVC are not liable for the debts of the ICVC.



Mr Daniel Watkins
Director
JPMorgan Funds Limited
11 March 2014



Ms Tanaquil McDowall
Director
JPMorgan Funds Limited
11 March 2014

Report of the Depositary to the Shareholders for the year ending 30 November 2013 for the JPMorgan Fund II 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 Conduct 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

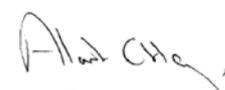
the pricing of, and dealings in, shares in the company; the application of revenue of the company; and the investment and borrowing powers applicable to the company.

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
11 March 2014

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

We have audited the financial statements of JPMorgan Fund II ICVC (the "Company") for the year ending 30 November 2013 which comprise the aggregated statement of total return, the aggregated statement of change in net assets attributable to shareholders, the aggregated balance sheet and related notes and for each of the Company's sub-funds, the statement of total return, the statement of change in net assets attributable to shareholders, the balance sheet, the related notes and the distribution table. 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) and the Statement of Recommended Practice 'Financial Statements of Authorised Funds' issued by the Investment Management Association (the "Statement of Recommended Practice for Authorised Funds").

Respective responsibilities of director and auditors

As explained more fully in the Authorised Corporate Director's Responsibilities Statement 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 International Standards on Auditing (UK and 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.

Scope of the audit of the financial statements

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 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.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the financial position of the Company and each of the sub-funds at 30 November 2013 and of the net revenue and the net capital 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 the Statement of Recommended

Practice for Authorised Funds, the Collective Investment Schemes sourcebook and the Instrument of Incorporation.

Opinion on other matters prescribed by the Collective Investment Schemes sourcebook

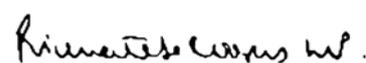
In our opinion:

- 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 period/year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Collective Investment Schemes sourcebook requires us to report to you if, in our opinion:

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



PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Edinburgh
11 March 2014

The maintenance and integrity of the J.P. Morgan Asset Management website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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