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Interim Report & Accounts (Unaudited)

# JPMorgan Fund ICVC

31 July 2012

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

The opinions and views expressed in this document are those held by J.P. Morgan Asset Management as at 10 September 2012, 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 10 September 2012.

# Authorised Corporate Director's (ACD) Report

We are pleased to present the Interim Report & Accounts for JPMorgan Fund ICVC for the six-months ending 31 July 2012.

## Authorised Status

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

The Company was launched as a UCITS Scheme on 16 November 2001 and acts as an umbrella company comprising of various sub-funds. Its registration number is IC00005 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. However, if the assets of any sub-fund were insufficient to meet the liabilities attributable to it, the shortfall may have to be met out of the assets attributable to the other sub-funds in the Company. In the event of this happening, the ACD would advise shareholders as soon as possible. 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 Funds, Prospectus and Instrument of Incorporation

The below changes came into effect during the period under review:

### Notification of changes to the investment policy and risk profile

The ACD has conducted a routine review of the investment policy and risk profile of the sub-funds and has made some minor changes for the purposes of clarification. These changes do not impact the investment objective of the sub-funds and are consistent with the way the sub-funds are managed.

The changes became effective on 11 June 2012 and the new investment objective, policy and risk profile of the sub-funds are as set out below.

### JPM Asia Fund

#### Investment objective and policy

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

The Fund aims to provide broad market exposure which will include exposure to Emerging Markets. Smaller company investments and Participation Notes may be held on an ancillary basis.

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

#### Risk profile

- The value of your investment may fall as well as rise and you may get back less than you originally invested.
- The value of Equity and Equity-Linked Securities may fluctuate in response to the performance of individual companies and general market conditions. Furthermore, Participation Notes run the risk of counterparty default which may result in the loss of the full market value of the Note.
- Emerging Markets may be subject to increased political, regulatory and economic instability, less developed custody and settlement practices, poor transparency and greater financial risks. Emerging Market currencies may be subject to volatile price movements. Emerging Market securities may also be subject to higher volatility and be more difficult to sell than non-Emerging Market securities.

- The Fund may be concentrated in one or more industry sectors and as a result, may be more volatile than more broadly diversified funds.
- Movements in currency exchange rates can adversely affect the return of your investment.

### JPM Balanced Total Return Fund

#### Investment objective and policy

To achieve over a longer-term horizon higher returns than those available from money market instruments denominated in Sterling by investing primarily in Equity securities, fixed income securities, Convertible Bonds, and short-term securities of issuers located in any country.

Typically, the Fund will have a bias towards Equities. Investments in Emerging Markets and smaller companies may be held on an ancillary basis.

Subject to market conditions the Fund may invest up to 90% in cash and cash equivalents. Asset and country allocations may vary over time to reflect market conditions and opportunities.

The Fund may invest up to 90% in government and public securities (see section 3.11(e)). The Fund may use Financial Derivative Instruments (derivatives) for investment purposes or Efficient Portfolio Management, including hedging, where appropriate.

#### Risk profile

- The value of your investment may fall as well as rise and you may get back less than you originally invested.
- Total return funds seek to provide a positive return but this is not guaranteed and they should not be used as a substitute for traditional liquidity funds or cash accounts. As the priority of these funds is to provide positive returns, they will not perform in line with stock markets.
- The value of Equity and Equity-Linked Securities may fluctuate in response to the performance of individual companies and general market conditions.
- The value of Bonds and other Debt Securities may change significantly depending on market, economic and interest rate conditions as well as the creditworthiness of the issuer. Issuers of Bonds and other Debt Securities may fail to meet payment obligations (default) or the credit rating of Bonds and other Debt Securities may be downgraded.

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

- Convertible Bonds are subject to the credit, interest rate and markets risks associated with both Bonds and Equity securities, and to risks specific to Convertible Securities. Convertible Bonds may also be more difficult to sell than the underlying Equity securities.
- The Fund may use Financial Derivative Instruments (derivatives) and/or forward transactions for investment purposes. The value of derivatives can be volatile. This is because a small movement in the value of the underlying asset can cause a large movement in the value of the derivative and therefore, investment in derivatives may result in losses in excess of the amount invested by the Fund.
- The Fund's asset allocation is actively managed. There is a risk that the performance of the Fund will suffer if the allocation to any particular asset class is low when that asset class is outperforming or high when that asset class is underperforming.
- 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.
- This Fund charges the annual fee of the Authorised Corporate Director (ACD) against capital, which will increase the amount of income available for distribution to Shareholders, but may constrain capital growth. It may also have tax implications for certain investors.

### JPM Cautious Total Return Fund

#### Investment objective and policy

To achieve over a medium-term horizon higher returns than those available from money market instruments denominated in Sterling by investing primarily in fixed income securities, Convertible Bonds, Equity securities and short-term securities of issuers located in any country.

Typically, the Fund will have a bias towards Bonds which may include High Yield Bonds. Investments in Emerging Markets and smaller companies may be held on an ancillary basis.

The Fund may invest up to 100% in cash and cash equivalents. Asset and country allocations may vary over time to reflect market conditions and opportunities. The Fund may invest up to 100% in government and public securities (see section 3.11(e)). The Fund may use Financial Derivative Instruments (derivatives) for investment purposes or Efficient Portfolio Management, including hedging, where appropriate.

#### Risk profile

- The value of your investment may fall as well as rise and you may get back less than you originally invested.
- Total return funds seek to provide a positive return but this is not guaranteed and they should not be used as a substitute for traditional liquidity funds or cash accounts. As the priority of these funds is to provide positive returns, they will not perform in line with stock markets.
- 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 High Yield Bonds which may also be subject to higher volatility and be more difficult to sell than Investment Grade Bonds.
- The value of Equity and Equity-Linked Securities may fluctuate in response to the performance of individual companies and general market conditions.
- Convertible Bonds are subject to the credit, interest rate and market risks associated with both Bonds and Equity securities, and to risks specific to Convertible Securities. Convertible Bonds may also be more difficult to sell than the underlying Equity securities.
- The Fund may use Financial Derivative Instruments (derivatives) and/or forward transactions for investment purposes. The value of derivatives can be volatile. This is because a small movement in the value of the underlying asset can cause a large movement in the value of the derivative and therefore, investment in derivatives may result in losses in excess of the amount invested by the Fund.

- The Fund's asset allocation is actively managed. There is a risk that the performance of the Fund will suffer if the allocation to any particular asset class is low when that asset class is outperforming or high when that asset class is underperforming.
- Movements in currency exchange rates can adversely affect the return of your investment.

### JPM Diversified Real Return Fund

#### Investment objective and policy

The Fund aims to provide an investment return in excess of the Retail Prices Index over the long term.

The Fund will primarily invest in Debt Securities (which may include Below-Investment Grade Bonds and Unrated securities), Index-Linked Debt Securities, Convertible Bonds, Equity and Equity-Linked Securities (which may include smaller companies), Real Estate Investment Trusts ("REITs"), Commodity Index Instruments and collective investment schemes as the Investment Adviser deems appropriate.

Issuers of securities may be located in any country, including Emerging Markets and the Fund may invest in assets denominated in any currency. The Fund may invest up to 70% in government and public securities (see section 3.11(e)). The Fund's Debt Securities, Index-Linked Debt Securities and Commodity Index Instruments will typically be either denominated in Sterling or hedged back to Sterling, however, the remainder of the Fund's non-Sterling denominated assets will not normally be hedged back to Sterling. The Fund may use Financial Derivative Instruments (derivatives) and forward transactions for investment purposes and Efficient Portfolio Management, including hedging, where appropriate. As a result of the use of Financial Derivative Instruments the net exposure of the Fund will typically be in a range of 130% to 200% of the Net Asset Value of the Fund.

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.

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

### Risk profile

- The value of your investment may fall as well as rise and you may get back less than you originally invested.
- The Fund aims to provide a return over the long term in excess of the Retail Prices Index. However, you should note that the Fund does not offer any form of guarantee with respect to the investment objective, and no form of capital protection will apply. The Fund should not be used as a substitute for liquidity funds or cash accounts.
- The value of Bonds and other Debt Securities may change significantly depending on economic and interest rate conditions as well as the general credit market environment and 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 securities.
- Bonds and other Debt Securities with a lower credit rating may have a higher risk of defaulting which may in turn have an adverse effect on the performance of Funds which invest in them.
- The value of Equity and Equity-Linked Securities may fluctuate in response to the performance of individual companies and general market conditions.
- The Fund may use Financial Derivative Instruments (derivatives) and/or forward transactions for investment purposes. The value of derivatives can be volatile. This is because a small movement in the value of the underlying asset can cause a large movement in the value of the derivative and therefore, investment in derivatives may result in losses in excess of the amount invested by the Fund.
- As a result of the use of Financial Derivative Instruments, the Fund's net exposure will typically be in a range of 130% to 200% of the Net Asset Value of the Fund, potentially increasing the volatility and therefore risk of the Fund. In a rising market, this may enhance investment returns but if a market falls, losses may be greater.

- 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 lower liquidity than non-Emerging Market securities.
- To the extent that any underlying assets of the Fund are denominated in a currency other than Sterling and are not hedged back to Sterling, movements in currency exchange rates can adversely affect the return of your investment. The currency hedging that may be used to minimise the effect of currency fluctuations may not always be successful.
- Investments in companies engaged in the business of real estate may be subject to increased liquidity risk and price volatility due to changes in economic conditions and interest rates.
- The Fund's asset allocation is actively managed. There is a risk that the performance of the Fund will suffer if the allocation to any particular asset class is low when that asset class is outperforming or high when that asset class is underperforming.
- The value of securities in which the Fund invests may be influenced by movements in commodity prices which can be very volatile.

### JPM Emerging Markets Fund

#### Investment objective and policy

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

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

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

### Risk profile

- The value of your investment may fall as well as rise and you may get back less than you originally invested.
- The value of Equity and Equity-Linked Securities may fluctuate in response to the performance of individual companies and general market conditions.
- Emerging Markets may be subject to increased political, regulatory and economic instability, less developed custody and settlement practices, poor transparency and greater financial risks. Emerging Market currencies may be subject to volatile price movements. Emerging Market securities may also be subject to higher volatility and be more difficult to sell than non-Emerging Market securities.
- Movements in currency exchange rates can adversely affect the return of your investment.

### JPM Emerging Markets Infrastructure Fund

#### Investment objective and policy

To achieve long-term capital growth by investing primarily in Emerging Markets companies related to infrastructure opportunities.

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

Investments may include, but are not limited to, companies found in the capital goods, transportation, telecommunication services, utilities, energy, materials and real estate sectors. The Fund may invest smaller companies.

Financial Derivative Instruments (derivatives) may be used for the purpose of efficient portfolio management, including hedging, where appropriate (see Section 11.14 for Risk Warnings on derivatives). Subject to at least 60 days notice to shareholders, the Fund may use derivatives for investment purposes which may change the risk profile of the Fund.

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

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

### Risk profile

- The value of your investment may fall as well as rise and you may get back less than you originally invested.
- The value of Equity and Equity-Linked Securities may fluctuate in response to the performance of individual companies and general market conditions.
- Emerging Markets may be subject to increased political, regulatory and economic instability, less developed custody and settlement practices, poor transparency and greater financial risks. Emerging Market currencies may be subject to volatile price movements. Emerging Market securities may also be subject to higher volatility and be more difficult to sell than non-Emerging Market securities.
- The Fund invests in securities of smaller companies which may be more difficult to sell, more volatile and tend to carry greater financial risk than securities of larger companies.
- This Fund is aggressively managed, which may result in higher volatility of the Fund's performance and bigger differences between the performance of the Fund and its Benchmark.
- The Fund may be concentrated in one or more industry sectors and/or countries and as a result, may be more volatile than more broadly diversified funds.
- Movements in currency exchange rates can adversely affect the return of your investment.

### JPM Europe Dynamic (ex-UK) Fund

#### Investment objective and policy

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

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

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

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

### Risk profile

- The value of your investment may fall as well as rise and you may get back less than you originally invested.
- The value of Equity and Equity-Linked Securities may fluctuate in response to the performance of individual companies and general market conditions.
- The Fund may invest in securities of smaller companies which may be more difficult to sell, more volatile and tend to carry greater financial risk than securities of larger companies.
- This Fund is aggressively managed, which may result in higher volatility of the Fund's performance and bigger differences between the performance of the Fund and its Benchmark.
- For investors in Share Classes which are not hedged to Sterling, movements in currency exchange rates can adversely affect the return of your investment.
- Investors in GBP Hedged Share Classes should be aware that any currency hedging process may not give a precise hedge. Where currency hedging is undertaken, whilst it may protect an investor in Hedged Shares against a decrease in the value of the currency being hedged, it may also prevent the investor from participating in an increase in the value of that currency. Please see Section 1.3 for more information on Hedged Share Classes.

### JPM Europe Fund

#### Investment objective and policy

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

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

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

### Risk profile

- The value of your investment may fall as well as rise and you may get back less than you originally invested.
- The value of Equity and Equity-Linked Securities may fluctuate in response to the performance of individual companies and general market conditions.
- Movements in currency exchange rates can adversely affect the return of your investment.

### JPM Global (ex-UK) Bond Fund

#### Investment objective and policy

To provide income with the prospect of capital growth from investment anywhere in the world in non-Sterling denominated interest-bearing securities in any economic sector. The Fund is primarily hedged back into Sterling. The Fund may invest up to 100% in government and public securities (see. 3.11(e)).

This Bond Fund invests primarily in a broad range of Investment Grade government securities (outside the UK). The Fund may also invest in other interest bearing securities including Below Investment Grade Bonds.

### Risk profile

- The value of your investment may fall as well as rise and you may get back less than you originally invested.
- Bond funds may not behave like direct investments in the underlying Bonds themselves. By investing in Bond funds, the certainty of receiving a regular fixed amount of income for a defined period of time with the prospect of a future known return of capital is lost.
- The value of Bonds and other Debt Securities may change significantly depending on market, economic and interest rate conditions as well as the creditworthiness of the issuer. Issuers of Bonds and other Debt Securities may fail to meet payment obligations (default) or the credit rating of Bonds and other Debt Securities may be downgraded.

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

- Bond funds will normally distribute a combination of Coupon and the expected discount/premium on the securities. Therefore, a Fund's distribution will comprise income received and an element of projected capital gains or losses. This could result in an element of capital gain being taxed as income in the hands of an investor.
- To the extent that any underlying assets of the Fund are denominated in a currency other than Sterling and are not hedged back to Sterling, movements in currency exchange rates can adversely affect the return of your investment. The currency hedging that may be used to minimise the effect of currency fluctuations may not always be successful.

### JPM Global Consumer Trends Fund

#### Investment objective and policy

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

Investments may include, but are not limited to, companies providing goods and services relating to consumer related activities, wealth, leisure, lifestyle, health and wellness. Issuers of these securities may be located in any country and the Fund may invest significantly in Emerging Markets and in smaller companies (see section 11.8 and 11.4 - Derivatives).

Financial Derivative Instruments (derivatives) may be used for the purposes of Efficient Portfolio Management, including hedging, where appropriate (see section 11.11 - Risk Warnings)

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

#### Risk profile

- The value of your investment may fall as well as rise and you may get back less than you originally invested.
- The value of Equity and Equity-Linked Securities may fluctuate in response to the performance of individual companies and general market conditions.

- Emerging Markets may be subject to increased political, regulatory and economic instability, less developed custody and settlement practices, poor transparency and greater financial risks. Emerging Market currencies may be subject to volatile price movements. Emerging Market securities may also be subject to higher volatility and be more difficult to sell than non-Emerging Market securities.
- The Fund invests in securities of smaller companies which may be more difficult to sell, more volatile and tend to carry greater financial risk than securities of larger companies.
- This Fund is aggressively managed, which may result in higher volatility of the Fund's performance and bigger differences between the performance of the Fund and its Benchmark.
- The Fund will be concentrated in companies benefiting from consumer driven opportunities and, as a result, may be more volatile than more broadly diversified funds.
- Movements in currency exchange rates can adversely affect the return of your investment.

### JPM Global Equity Absolute Alpha Fund

#### Investment objective and policy

The Fund aims to provide a return in excess of the return on one month Sterling (GBP) LIBOR over rolling 12 month periods in any market conditions, although this is not guaranteed.

The Fund will seek to achieve an absolute return normally through Long and Short Positions in Equities and Equity- Linked Securities anywhere in the world (which may include Emerging Markets). Long Positions may be achieved through direct investments and / or Financial Derivative Instruments (derivatives). Short Positions will be achieved through derivatives only. The Fund may have a concentrated portfolio of securities.

There is no restriction on the value of the property of the Fund that may be invested in transferable securities which are warrants. If more than 5% of the property of the Fund is invested in warrants, the net asset value of the Fund may become highly volatile on occasions.

In addition, the Fund may invest, at the discretion of the Investment Adviser, up to 100% in cash and cash equivalents. The Fund may also invest in fixed and floating rate Debt Securities.

The Fund may use Financial Derivative Instruments (derivatives) for investment purposes. The Fund may also use derivatives for Efficient Portfolio Management, including hedging, where appropriate.

Normally, most of the Fund's non-Sterling assets will be hedged back to Sterling. However, the Investment Adviser may decide not to hedge the Fund's non-Sterling assets back to Sterling in order to enhance potential returns.

#### Risk profile

- The value of your investment may fall as well as rise and you may get back less than you originally invested.
- The Fund aims to provide a positive return in any market conditions over a rolling 12 month period, although this is not guaranteed.
- The Fund can use sophisticated investment techniques that differ from those used in traditional Equity funds.
- The Fund should not be used as a substitute for liquidity funds or cash accounts.
- The Fund may use Financial Derivative Instruments (derivatives) and/or forward transactions for investment purposes. The value of derivatives can be volatile. This is because a small movement in the value of the underlying asset can cause a large movement in the value of the derivative and therefore, investment in derivatives may result in losses in excess of the amount invested by the Fund.
- The value of Equity and Equity-Linked Securities may fluctuate in response to the performance of individual companies and general market conditions.
- The value of Bonds and other Debt Securities may change significantly depending on market, economic and interest rate conditions as well as the creditworthiness of the issuer. Issuers of Bonds and other Debt Securities may fail to meet payment obligations (default) or the credit rating of Bonds and other Debt Securities may be downgraded.

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

- The Fund may be concentrated in a limited number of securities, industry sectors or countries and as a result, may be more volatile than more broadly diversified funds.
- 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 more difficult to sell than non-Emerging Market securities.
- The Fund invests opportunistically and exposure to Equity markets may vary substantially depending on market conditions. Therefore the Fund may not be fully invested in rising markets; conversely the Fund could be fully invested in a falling market. In both circumstances the performance of the Fund would suffer.
- To the extent that any underlying assets of the Fund are denominated in a currency other than Sterling and are not hedged back to Sterling, movements in currency exchange rates can adversely affect the return of your investment. The currency hedging that may be used to minimise the effect of currency fluctuations may not always be successful.
- The possible loss from taking a Short Position on a security (using Financial Derivative Instruments) may be unlimited as there is no restriction on the price to which a security may rise. The Short Selling of investments may be subject to changes in regulations, which could adversely impact returns to investors.
- When the Fund invests in warrants, the values of these warrants are likely to fluctuate more than the prices of the underlying securities.

### JPM Global Equity Income Fund

#### Investment objective and policy

To provide a portfolio designed to achieve high and rising income by investing globally, primarily in Equities, in any economic sector whilst participating in long term capital growth.

The Fund will have exposure to Emerging Markets. Smaller company investments may be held on an ancillary basis.

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

#### Risk profile

- The value of your investment may fall as well as rise and you may get back less than you originally invested.
- The value of Equity and Equity-Linked Securities may fluctuate in response to the performance of individual companies and general market conditions.
- Emerging Markets may be subject to increased political, regulatory and economic instability, less developed custody and settlement practices, poor transparency and greater financial risks. Emerging Market currencies may be subject to volatile price movements. Emerging Market securities may also be subject to higher volatility and be more difficult to sell than non-Emerging Market securities.
- As the portfolio of the Fund is primarily focused on generating income, it may bear little resemblance to the composition of its Benchmark.
- The Fund may be concentrated in one or more countries and as a result, may be more volatile than more broadly diversified funds.
- For investors in Share Classes which are not hedged to Sterling movements in currency exchange rates can adversely affect the return of your investment.
- Investors in GBP Hedged Share Classes should be aware that any currency hedging process may not give a precise hedge. Where currency hedging is undertaken, whilst it may protect an investor in Hedged Shares against a decrease in the value of the currency being hedged, it may also prevent an investor from participating in an increase in the value of that currency. Please see Section 1.3 for more information on Hedged Share Classes.
- This Fund charges the annual fee of the Authorised Corporate Director (ACD) against capital, which will increase the amount of income available for distribution to Shareholders, but may constrain capital growth. It may also have tax implications for certain investors.

### JPM Global Financials Fund

#### Investment objective and policy

To provide capital growth over the long term by investing throughout the world primarily in financial services sectors.

The Fund will primarily invest in shares of financial services sector companies globally and will have exposure to Emerging Markets. Smaller company investments may be held on an ancillary basis.

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

#### Risk profile

- The value of your investment may fall as well as rise and you may get back less than you originally invested.
- The value of Equity and Equity-Linked Securities may fluctuate in response to the performance of individual companies and general market conditions.
- Emerging Markets may be subject to increased political, regulatory and economic instability, less developed custody and settlement practices, poor transparency and greater financial risks. Emerging Market currencies may be subject to volatile price movements. Emerging Market securities may also be subject to higher volatility and be more difficult to sell than non-Emerging Market securities.
- The Fund will be concentrated in financial services companies and may be concentrated in one or more countries. As a result, the Fund may be more volatile than more broadly diversified funds.
- This Fund is aggressively managed, which may result in higher volatility of the Fund's performance and bigger differences between the performance of the Fund and its Benchmark.
- Movements in currency exchange rates can adversely affect the return of your investment.

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

## JPM Global Fund

### Investment objective and policy

To provide capital growth over the long term by investing throughout the world in any economic sector.

The Fund will primarily invest in shares of companies globally and will have exposure to Emerging Markets. Smaller company investments may be held on an ancillary basis.

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

### Risk profile

- The value of your investment may fall as well as rise and you may get back less than you originally invested.
- The value of Equity and Equity-Linked Securities may fluctuate in response to the performance of individual companies and general market conditions.
- Emerging Markets may be subject to increased political, regulatory and economic instability, less developed custody and settlement practices, poor transparency and greater financial risks. Emerging Market currencies may be subject to volatile price movements. Emerging Market securities may also be subject to higher volatility and be more difficult to sell than non-Emerging Market securities.
- The Fund may be concentrated in one or more countries and as a result, may be more volatile than more broadly diversified funds.
- Movements in currency exchange rates can adversely affect the return of your investment.

## JPM Global High Yield Bond Fund

### Investment objective and policy

To provide a high return from a diversified portfolio of Bond and other Debt Securities.

The Fund will invest primarily in Bond and other Debt Securities (mainly Below Investment Grade securities or Unrated securities) of issuers in developed countries, primarily corporations and banks. The Fund may also invest in Bond and other Debt Securities of issuers of Emerging countries. The Fund will aim to hedge non-Sterling securities back to Sterling.

### Risk profile

- The value of your investment may fall as well as rise and you may get back less than you originally invested.
- Bond funds may not behave like direct investments in the underlying Bonds themselves. By investing in Bond funds, the certainty of receiving a regular fixed amount of income for a defined period of time with the prospect of a future known return of capital is lost.
- The value of Bonds and other Debt Securities may change significantly depending on market, economic and interest rate conditions as well as the creditworthiness of the issuer. Issuers of Bonds and other Debt Securities may fail to meet payment obligations (default) or the credit rating of Bonds and other Debt Securities may be downgraded. These risks are typically increased for Below Investment Grade and certain Unrated securities, which may also be subject to higher volatility and be more difficult to sell than Investment Grade securities.
- Bonds and other Debt Securities with a lower credit rating may have a higher risk of defaulting which may in turn have an adverse effect on the performance of Funds which invest in them.
- This Fund charges the annual fee of the Authorised Corporate Director (ACD) against capital, which will increase the amount of income available for distribution to Shareholders, but may constrain capital growth. It may also have tax implications for certain investors.
- Bond funds will normally distribute a combination of Coupon and the expected discount/premium on the securities. Therefore, a Fund's distribution will comprise income received and an element of projected capital gains or losses. This could result in an element of capital gain being taxed as income in the hands of an investor.
- To the extent that any underlying assets of the Fund are denominated in a currency other than Sterling and are not hedged back to Sterling, movements in currency exchange rates can adversely affect the return of your investment. The currency hedging that may be used to minimise the effect of currency fluctuations may not always be successful.

- The Fund may invest in Structured Products which will involve additional risks including the movements in the value of the underlying asset and the risk of the issuer of the Structured Product becoming insolvent.
- The Fund may invest in Credit Linked Notes which involve the risk of the underlying credit instrument decreasing in value or defaulting and the risk of the issuer of the Credit Linked Note becoming insolvent.

## JPM Global Mining Fund

### Investment objective and policy

To provide long term capital growth by investing primarily in companies engaged in mining or mining related activities, including any associated secondary products, anywhere in the world.

The Fund will have exposure to Emerging Markets and smaller companies. Secondary products will include products such as steel and aluminium.

Financial Derivative Instruments (derivatives) may be used for the purpose of Efficient Portfolio Management, including hedging, where appropriate (see Section 11.14 for Risk Warnings on derivatives). Subject to at least 60 days notice to Shareholders, the Fund may use derivatives for investment purposes which may change the risk profile of the Fund.

There is no restriction on the value of the property of the Fund that may be invested in transferable securities which are warrants. If more than 5% of the property of the Fund is invested in warrants, the net asset value of the Fund may become highly volatile on occasions.

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.

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

- Emerging Markets may be subject to increased political, regulatory and economic instability, less developed custody and settlement practices, poor transparency and greater financial risks. Emerging Market currencies may be subject to volatile price movements. Emerging Market securities may also be subject to higher volatility and be more difficult to sell than non-Emerging Market securities.
- The Fund invests in securities of smaller companies which may be more difficult to sell, more volatile and tend to carry greater financial risk than securities of larger companies.
- The Fund will be concentrated in mining and mining related companies and may be concentrated in one or more countries. As a result, the Fund may be more volatile than more broadly diversified funds.
- This Fund is aggressively managed, which may result in higher volatility of the Fund's performance and bigger differences between the performance of the Fund and its Benchmark.
- The value of companies in which the Fund invests may be influenced by movements in commodity prices which can be very volatile.
- When the Fund invests in warrants, the values of these warrants are likely to fluctuate more than the prices of the underlying securities.
- Movements in currency exchange rates can adversely affect the return of your investment.

### JPM Global Property Securities Fund

#### Investment objective and policy

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

The Fund will invest in smaller companies and may invest in Emerging Markets on an ancillary basis.

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

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

#### Risk profile

- The value of your investment may fall as well as rise and you may get back less than you originally invested.
- The value of Equity and Equity-Linked Securities may fluctuate in response to the performance of individual companies and general market conditions.
- Investments in companies engaged in the business of real estate may be more difficult to sell and may experience increased price volatility due to changes in economic conditions and interest rates.
- The Fund invests in securities of smaller companies which may be more difficult to sell, more volatile and tend to carry greater financial risk than securities of larger companies.
- The Fund will be concentrated in real estate companies and may be concentrated in one or more countries. As a result, the Fund may be more volatile than more broadly diversified funds.
- Movements in currency exchange rates can adversely affect the return of your investment. The currency hedging that may be used to minimise the effect of currency fluctuations may not always be successful.

### JPM Institutional Asia Fund

#### Investment objective and policy

To invest in a portfolio of securities in the markets of Asia (excluding Japan) and Australasia. The current policy is to invest for capital growth without any distribution target.

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

The Fund aims to provide broad market exposure which will include exposure to Emerging Markets. Smaller company investments and Participation Notes may be held on an ancillary basis.

#### Risk profile

- The value of your investment may fall as well as rise and you may get back less than you originally invested.
- The value of Equity and Equity-Linked Securities may fluctuate in response to the performance of individual companies and general market conditions. Furthermore, Participation Notes run the risk of counterparty default which may result in the loss of the full market value of the Note.
- Emerging Markets may be subject to increased political, regulatory and economic instability, less developed custody and settlement practices, poor transparency and greater financial risks. Emerging Market currencies may be subject to volatile price movements. Emerging Market securities may also be subject to higher volatility and be more difficult to sell than non-Emerging Market securities.
- The Fund may be concentrated in one or more industry sectors and as a result, may be more volatile than more broadly diversified funds.
- Movements in currency exchange rates can adversely affect the return of your investment.

### JPM Japan Fund

#### Investment objective and policy

To provide capital growth over the long term by investing primarily in the shares of Japanese companies.

Japanese companies are companies that are incorporated under the laws of, and have their registered office in, Japan, or that derive the predominant part of their economic activity from Japan, even if listed elsewhere.

The Fund may have exposure to smaller companies.

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

#### Risk profile

- The value of your investment may fall as well as rise and you may get back less than you originally invested.
- The value of Equity and Equity-Linked Securities may fluctuate in response to the performance of individual companies and general market conditions.

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

- This Fund is aggressively managed, which may result in higher volatility of the Fund's performance and bigger differences between the performance of the Fund and its Benchmark.
- The single market in which the Fund primarily invests, in this case Japan, may be subject to particular political and economic risks and, as a result, the Fund may be more volatile than more broadly diversified funds.
- The Fund may be concentrated in a limited number of securities and, as a result, may be more volatile than more broadly diversified funds.
- The Fund invests in securities of smaller companies which may be more difficult to sell, more volatile and tend to carry greater financial risk than securities of larger companies.
- Movements in currency exchange rates can adversely affect the return of your investment.

### JPM Multi-Manager Growth Fund

#### Investment objective and policy

To invest worldwide in any economic sector primarily through investment trusts. The Fund aims to provide capital growth over the long term.

Currently, in addition to investment trusts, the Fund may also invest in other closed-ended and open-ended funds.

The Fund may have exposure to Emerging Markets and smaller companies.

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

#### Risk profile

- The value of your investment may fall as well as rise and you may get back less than you originally invested.
- The value of Equity and Equity-Linked Securities may fluctuate in response to the performance of individual companies and general market conditions.

- Shares of investment trusts can trade at a premium or at a discount to their net assets and this might affect the performance of a Fund. Investment trusts may use gearing which will exaggerate market movements, both down and up. Some investment trusts may have warrants in issue, which if exercised may affect share values. Shares of investment trusts may become illiquid and be difficult to sell.
- Emerging Markets may be subject to increased political, regulatory and economic instability, less developed custody and settlement practices, poor transparency and greater financial risks. Emerging Market currencies may be subject to volatile price movements. Emerging Market securities may also be subject to higher volatility and be more difficult to sell than non-Emerging Market securities.
- The Fund invests in securities of smaller companies which may be more difficult to sell, more volatile and may 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.

### JPM Multi-Asset Income Fund

#### Investment objective and policy

To provide income by investing primarily in a global portfolio of income generating securities.

The Fund will predominantly invest in fixed and floating rate Debt Securities and Equity and Equity-Linked Securities to generate income. The Fund may invest in High-Yield Bonds, Convertible Bonds, Investment Grade, Below-Investment Grade and Unrated securities, Real Estate Investment Trusts ("REITS"), smaller companies and collective investment schemes as the Investment Adviser deems appropriate. Issuers of securities may be located in any country, including Emerging Markets and the Fund may invest in assets denominated in any currency.

Non-Sterling currency exposure (excluding Emerging Markets local currency) will be hedged back to Sterling. The Fund may use Financial Derivative Instruments (derivatives) and forward transactions for investment purposes and Efficient Portfolio Management, including hedging.

#### Risk profile

- The value of your investment may fall as well as rise and you may get back less than you originally invested.
- The value of Bonds and other Debt Securities may change significantly depending on market, economic and interest rate conditions as well as the creditworthiness of the issuer. Issuers of Bonds and other Debt Securities may fail to meet payment obligations (default) or the credit rating of Bonds and other Debt Securities may be downgraded. These risks are typically increased for Below-Investment Grade Bonds which may also be subject to higher volatility and be more difficult to sell than Investment Grade Bonds.
- The Fund may have a significant exposure to Asset and Mortgage Backed Securities (ABS and MBS). ABS / MBS may be difficult to sell, subject to adverse changes to interest rates and to the risk that the payment obligations of the underlying asset are not met.
- The Fund may use Financial Derivative Instruments (derivatives) and/or forward transactions for investment purposes. The value of derivatives can be volatile. This is because a small movement in the value of the underlying asset can cause a large movement in the value of the derivative and therefore, investment in derivatives may result in losses in excess of the amount invested by the Fund.
- The value of Equity and Equity-Linked Securities may fluctuate in response to the performance of individual companies and general market conditions.
- Emerging Markets may be subject to increased political, regulatory and economic instability, less developed custody and settlement practices, poor transparency and greater financial risks. Emerging Market currencies may be subject to volatile price movements. Emerging Market securities may also be subject to higher volatility and be more difficult to sell than non-Emerging Market securities.
- Investments in companies engaged in the business of real estate may be more difficult to sell and may experience increased price volatility due to changes in economic conditions and interest rates.

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

- The Fund's asset allocation is actively managed. There is a risk that the performance of the Fund will suffer if the allocation to any particular asset class is low when that asset class is outperforming or high when that asset class is underperforming.
- This Fund is aggressively managed, which may result in higher volatility of the Fund's performance and bigger differences between the performance of the Fund and its Benchmark.
- This Fund charges the annual fee of the Authorised Corporate Director (ACD) against capital, which will increase the amount of income available for distribution to Shareholders, but may constrain capital growth. It may also have tax implications for certain investors.
- As the portfolio of the Fund is primarily focused on generating income, it may bear little resemblance to the composition of its Benchmark.
- Movements in currency exchange rates can adversely affect the return of your investment. The currency hedging that may be used to minimise the effect of currency fluctuations may not always be successful.

### JPM Natural Resources Fund

#### Investment objective and policy

To invest, primarily in the shares of, companies throughout the world engaged in the production and marketing of commodities. The Fund aims to provide capital growth over the long term.

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

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

#### Risk profile

- The value of your investment may fall as well as rise and you may get back less than you originally invested.
- The value of Equity and Equity-Linked Securities may fluctuate in response to the performance of individual companies and general market conditions.

- Emerging Markets may be subject to increased political, regulatory and economic instability, less developed custody and settlement practices, poor transparency and greater financial risks. Emerging Market currencies may be subject to volatile price movements. Emerging Market securities may also be subject to higher volatility and be more difficult to sell than non-Emerging Market securities.
- The Fund invests in securities of smaller companies which may be more difficult to sell, more volatile and tend to carry greater financial risk than securities of larger companies.
- The Fund will be concentrated in natural resources companies and may be concentrated in one or more countries. As a result, the Fund may be more volatile than more broadly diversified funds.
- The value of companies in which the Fund invests may be influenced by movements in commodity prices which can be very volatile.
- This Fund is aggressively managed, which may result in higher volatility of the Fund's performance and bigger differences between the performance of the Fund and its Benchmark.
- Movements in currency exchange rates can adversely affect the return of your investment.

### JPM New Europe Fund

#### Investment objective and policy

To provide long-term capital growth by investing primarily in companies operating or investing in central and eastern Europe and Russia.

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

The Fund will have exposure to smaller companies.

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

#### Risk profile

- The value of your investment may fall as well as rise and you may get back less than you originally invested.
- The value of Equity and Equity-Linked Securities may fluctuate in response to the performance of individual companies and general market conditions.
- This Fund is aggressively managed, which may result in higher volatility of the Fund's performance and bigger differences between the performance of the Fund and its Benchmark.
- Emerging Markets may be subject to increased political, regulatory and economic instability, less developed custody and settlement practices, poor transparency and greater financial risks. Emerging Market currencies may be subject to volatile price movements. Emerging Market securities may also be subject to higher volatility and be more difficult to sell than non-Emerging Market securities.
- The Fund invests in securities of smaller companies which may be more difficult to sell, more volatile and tend to carry greater financial risk than securities of larger companies.
- The Fund may be concentrated in a limited number of securities, industry sectors or countries and as a result, may be more volatile than more broadly diversified funds.
- Movements in currency exchange rates can adversely affect the return of your investment.

### JPM Sterling Corporate Bond Fund

#### Investment objective and policy

The Fund's investment objective is to maximise total returns by investing primarily in high quality Sterling denominated Bonds (or other Bonds hedged back to Sterling).

The Fund's investment policy will focus on Investment Grade corporate issues. The Fund may also invest in Below-Investment Grade securities, including corporate and Emerging Market Bonds when the Investment Adviser believes these offer significant opportunities.

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

The Fund may use Financial Derivative Instruments (derivatives) for investment purposes or Efficient Portfolio Management including hedging, where appropriate. As a result of the use of Financial Derivative Instruments, the net exposure of the Fund will typically be in a range of 100% to 200% of the Net Asset Value of the Fund.

Although most of the non-Sterling securities will be hedged back to Sterling, the Investment Adviser will also use opportunities in the foreign exchange market to maximise returns.

### Risk profile

- The value of your investment may fall as well as rise and you may get back less than you originally invested.
- Bond funds may not behave like direct investments in the underlying Bonds themselves. By investing in Bond funds, the certainty of receiving a regular fixed amount of income for a defined period of time with the prospect of a future known return of capital is lost.
- The value of Bonds and other Debt Securities may change significantly depending on market, economic and interest rate conditions as well as the creditworthiness of the issuer. Issuers of Bonds and other Debt Securities may fail to meet payment obligations (default) or the credit rating of Bonds and other Debt Securities may be downgraded. These risks are typically increased for Below Investment Grade and certain Unrated securities, which may also be subject to higher volatility and be more difficult to sell than Investment Grade securities.
- Bonds and other Debt Securities with a lower credit rating may have a higher risk of defaulting which may in turn have an adverse effect on the performance of Funds which invest in them.
- The Fund may use Financial Derivative Instruments (derivatives) and/or forward transactions for investment purposes. The value of derivatives can be volatile. This is because a small movement in the value of the underlying asset can cause a large movement in the value of the derivative and therefore, investment in derivatives may result in losses in excess of the amount invested by the Fund.

- As a result of the use of Financial Derivative Instruments, the Fund's net exposure will typically be in a range of 100% to 200% of the Net Asset Value of the Fund, potentially increasing the volatility and therefore risk of the Fund. In a rising market, this may enhance investment returns but if a market falls, losses may be greater.
- Bond funds will normally distribute a combination of Coupon and the expected discount/premium on the securities. Therefore, a Fund's distribution will comprise income received and an element of projected capital gains or losses. This could result in an element of capital gain being taxed as income in the hands of an investor.
- To the extent that any underlying assets of the Fund are denominated in a currency other than Sterling and are not hedged back to Sterling, movements in currency exchange rates can adversely affect the return of your investment. The currency hedging that may be used to minimise the effect of currency fluctuations may not always be successful.

### JPM Strategic Bond Fund

#### Investment objective and policy

To maximise returns by investing primarily in a global portfolio of fixed and floating rate Debt Securities.

In the fund manager's view, maximising returns means generating higher returns than those available from money market instruments denominated in Sterling.

The Fund may invest in developed and Emerging Market countries and hold Investment Grade, Below-Investment Grade and Unrated Bonds. The Fund may have a concentrated portfolio and may have a significant exposure to any one country, sector or issuer, which may include Emerging Markets and Below-Investment Grade or Unrated Bonds, at any time. Allocations between countries, sectors and ratings of Bonds may vary significantly at any time. The Fund may use Financial Derivative Instruments (derivatives) for investment purposes or Efficient Portfolio Management including hedging, where appropriate. As a result of the use of Financial Derivative Instruments, the net exposure of the Fund will typically be in a range of 100% to 200% of the Net Asset Value of the Fund.

The Fund is also permitted to invest up to 100% in government and public securities (see section 3.11(e)). The Fund's assets will be primarily either denominated in Sterling or hedged back to Sterling.

The benchmark of this fund has also been changed from Bank of America Merrill Lynch GBP Broad Market Index (Total Return Gross) to the British Bankers Association (BBA) LIBOR GBP Overnight Index.

### Risk profile

- The value of your investment may fall as well as rise and you may get back less than you originally invested.
- Positive returns are not guaranteed and the Fund should not be used as a substitute for traditional liquidity funds or cash accounts.
- Bond funds may not behave like direct investments in the underlying Bonds themselves. By investing in Bond funds, the certainty of receiving a regular fixed amount of income for a defined period of time with the prospect of a future known return of capital is lost.
- The value of Bonds and other Debt Securities may change significantly depending on market, economic and interest rate conditions as well as the creditworthiness of the issuer. Issuers of Bonds and other Debt Securities may fail to meet payment obligations (default) or the credit rating of Bonds and other Debt Securities may be downgraded. These risks are typically increased for Below Investment Grade and certain Unrated securities which may also be subject to higher volatility and be more difficult to sell than Investment Grade securities.
- Emerging Markets may be subject to increased political, regulatory and economic stability, less developed custody and settlement practices, poor transparency and greater financial risks. Emerging Market currencies may be subject to volatile price movements. Emerging Market securities may also be subject to higher volatility and be more difficult to sell than non-Emerging Market securities.
- Bonds and other Debt Securities with a lower credit rating may have a higher risk of defaulting which may in turn have an adverse effect on the performance of Funds which invest in them.

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

- The Fund may use Financial Derivative Instruments (derivatives) and/or forward transactions for investment purposes. The value of derivatives can be volatile. This is because a small movement in the value of the underlying asset can cause a large movement in the value of the derivative and therefore, investment in derivatives may result in losses in excess of the amount invested by the Fund.
- As a result of the use of Financial Derivative Instruments, the Fund's net exposure will typically be in a range of 100% to 200% of the Net Asset Value of the Fund, potentially increasing the volatility and therefore risk of the Fund. In a rising market, this may enhance investment returns but if a market falls, losses may be greater.
- The possible loss from taking a Short Position on a security (using Financial Derivative Instruments) may be unlimited as there is no restriction on the price to which a security may rise. The Short Selling of investments may be subject to changes in regulations, which could adversely impact returns to investors.
- The Fund may have a significant exposure to Asset and Mortgage Backed Securities (ABS and MBS). ABS / MBS may be difficult to sell, subject to adverse changes to interest rates and to the risk that the payment obligations relating to the underlying asset are not met.
- The Fund may be concentrated in a limited number of securities, industry sectors or countries and as a result, may be more volatile than more broadly diversified funds.
- Bond funds will normally distribute a combination of Coupon and the expected discount/premium on the securities. Therefore, a Fund's distribution will comprise income received and an element of projected capital gains or losses. This could result in an element of capital gain being taxed as income in the hands of an investor.
- To the extent that any underlying assets of the Fund are denominated in a currency other than Sterling and are not hedged back to Sterling, movements in currency exchange rates can adversely affect the return of your investment. The currency hedging that may be used to minimise the effect of currency fluctuations may not always be successful.

- The Fund may invest in Structured Products which will involve additional risks including the movements in the value of the underlying asset and the risk of the issuer of the Structured Product becoming insolvent.
- The Fund may invest in Credit Linked Notes which involve the risk of the underlying credit instrument decreasing in value or defaulting and the risk of the issuer of the Credit Linked Note becoming insolvent.

### JPM UK Active Index Plus Fund

#### Investment objective and policy

The Fund aims to provide capital growth and outperform the FTSE™ All-Share Index over the long term by investing primarily in a portfolio of UK companies.

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

This Equity based fund is conservatively managed and designed to give broad market exposure to UK companies.

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

#### Risk profile

- The value of your investment may fall as well as rise and you may get back less than you originally invested.
- The value of Equity and Equity-Linked Securities may fluctuate in response to the performance of individual companies and general market conditions.
- The single market in which the Fund primarily invests, in this case the UK, may be subject to particular political and economic risks and, as a result, the Fund may be more volatile than more broadly diversified funds.

### JPM UK Dynamic Fund

#### Investment objective and policy

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

UK Equities are issued by companies that are incorporated under the laws of, and have their registered office in, the UK, or that derive the predominant part of their economic activity from the UK, even if listed elsewhere. Smaller companies may be held on an ancillary basis.

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

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

#### Risk profile

- The value of your investment may fall as well as rise and you may get back less than you originally invested.
- The value of Equity and Equity-Linked Securities may fluctuate in response to the performance of individual companies and general market conditions.
- This Fund is aggressively managed, which may result in higher volatility of the Fund's performance and bigger differences between the performance of the Fund and its Benchmark.
- The single market in which the Fund primarily invests, in this case the UK, may be subject to particular political and economic risks and, as a result, the Fund may be more volatile than more broadly diversified funds.

### JPM UK Equity & Bond Income Fund

#### Investment objective and policy

To provide a high and stable income, with the prospect of capital and income growth over the long term, by investing in a balanced portfolio of securities.

The Fund currently invests predominantly in a balanced portfolio of blue chip UK Equities, gilt edged securities and other UK fixed interest instruments.

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

UK Equities are Equities issued by companies that are incorporated under the laws of, and have their registered office in, the UK, or that derive the predominant part of their economic activity from the UK, even if listed elsewhere. Smaller companies may be held on an ancillary basis.

UK fixed interest instruments may include Sterling denominated Bonds and other Debt Securities of non-UK issuers.

The Fund may invest up to 100% in government and public securities (see section 3.11 (e)).

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

### Risk profile

- The value of your investment may fall as well as rise and you may get back less than you originally invested.
- The value of Equity and Equity-Linked Securities may fluctuate in response to the performance of individual companies and general market conditions.
- The value of Bonds and other Debt Securities may change significantly depending on market, economic and interest rate conditions as well as creditworthiness of the issuer. Issuers of Bonds and other Debt Securities may fail to meet payment obligations (default) or the credit rating of Bonds and other Debt Securities may be downgraded.
- This Fund charges the annual fee of the Authorised Corporate Director (ACD) against capital, which will increase the amount of income available for distribution to Shareholders, but may constrain capital growth. It may also have tax implications for certain investors.
- The Fund will have significant exposure to the UK and may therefore be more volatile than more broadly diversified funds.
- As the portfolio of the Fund is primarily focused on generating income, it may bear little resemblance to the composition of its Benchmark.

### JPM UK Equity Fund

#### Investment objective and policy

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

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

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

#### Risk profile

- The value of your investment may fall as well as rise and you may get back less than you originally invested.
- The value of Equity and Equity-Linked Securities may fluctuate in response to the performance of individual companies and general market conditions.
- The single market in which the Fund primarily invests, in this case the UK, may be subject to particular political and economic risks and, as a result, the Fund may be more volatile than more broadly diversified funds.

### JPM UK Focus Fund

#### Investment objective and policy

To provide long-term capital growth by investing in a portfolio primarily of UK securities.

UK securities are securities issued by companies that are incorporated under the laws of, and have their registered office in, the UK, or that derive the predominant part of their economic activity from the UK, even if listed elsewhere. Smaller companies may be held on an ancillary basis.

This Equity based Fund invests in those stocks which the Investment Adviser believes will outperform with little regard for their Benchmark weighting.

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

### Risk profile

- The value of your investment may fall as well as rise and you may get back less than you originally invested.
- The value of Equity and Equity-Linked Securities may fluctuate in response to the performance of individual companies and general market conditions.
- This Fund is aggressively managed, which may result in higher volatility of the Fund's performance and bigger differences between the performance of the Fund and its Benchmark.
- The single market in which the Fund primarily invests, in this case the UK, may be subject to particular political and economic risks and, as a result, the Fund may be more volatile than more broadly diversified funds.

### JPM UK Higher Income Fund

#### Investment objective and policy

To provide income and prospects of capital growth by investing primarily in Equity and Equity-Linked Securities of UK companies. The Fund aims to provide a higher income yield than the yield on the FTSE™ All-Share Index.

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

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

#### Risk profile

- The value of your investment may fall as well as rise and you may get back less than you originally invested.
- The value of Equity and Equity-Linked Securities may fluctuate in response to the performance of individual companies and general market conditions.
- The single market in which the Fund primarily invests, in this case the UK, may be subject to particular political and economic risks and, as a result, the Fund may be more volatile than more broadly diversified funds.

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

- As the portfolio of the Fund is primarily focused on generating income, it may bear little resemblance to the composition of its Benchmark.
- This Fund charges the annual fee of the Authorised Corporate Director (ACD) against capital, which will increase the amount of income available for distribution to Shareholders, but may constrain capital growth. It may also have tax implications for certain investors.

### JPM UK Managed Equity Fund

#### Investment objective and policy

To provide long term capital growth by investing primarily in large capitalisation UK companies.

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

Financial Derivative Instruments (derivatives) may be used for the purpose of Efficient Portfolio Management, including hedging, where appropriate. Shareholders will receive at least 60 days' notice of any intention to use derivatives within the Fund for investment purposes, which may change the risk profile of the Fund. Please refer to section 11.14 for Risk Warnings on derivatives.

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

#### Risk profile

- The value of your investment may fall as well as rise and you may get back less than you originally invested.
- The value of Equity and Equity-Linked Securities may fluctuate in response to the performance of individual companies and general market conditions.
- The single market in which the Fund primarily invests, in this case the UK, may be subject to particular political and economic risks and, as a result, the Fund may be more volatile than more broadly diversified funds.

### JPM UK Strategic Equity Income Fund

#### Investment objective and policy

To provide long-term capital growth and income through investment in a value style biased portfolio of UK companies.

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

This Equity based fund invests in those stocks which the Investment Adviser believes to be undervalued (value stocks).

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

#### Risk profile

- The value of your investment may fall as well as rise and you may get back less than you originally invested.
- The value of Equity and Equity-Linked Securities may fluctuate in response to the performance of individual companies and general market conditions.
- The Fund may have greater volatility compared to broader market indices as a result of the Fund's focus on value stocks.
- The single market in which the Fund primarily invests, in this case the UK, may be subject to particular political and economic risks and, as a result, the Fund may be more volatile than more broadly diversified funds.
- This Fund charges the annual fee of the Authorised Corporate Director (ACD) against capital, which will increase the amount of income available for distribution to Shareholders, but may constrain capital growth. It may also have tax implications for certain investors.

### JPM UK Strategic Growth Fund

#### Investment objective and policy

To provide long-term capital growth through investment primarily in a growth style biased portfolio of UK companies.

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

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

Financial Derivative Instruments (derivatives) may be used for the purpose of Efficient Portfolio Management, including hedging, where appropriate (see section 11.14 for Risk Warnings on derivatives). Subject to at least 60 days notice to shareholders, the Fund may use derivatives for investment purposes which may change the risk profile of the Fund.

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

#### Risk profile

- The value of your investment may fall as well as rise and you may get back less than you originally invested
- The value of Equity and Equity-Linked Securities may fluctuate in response to the performance of individual companies and general market conditions.
- The Fund may have greater volatility compared to broader market indices as a result of the Fund's focus on growth stocks.
- The single market in which the Fund primarily invests, in this case the UK, may be subject to particular political and economic risks and, as a result, the Fund may be more volatile than more broadly diversified funds.

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

### JPM US Equity Income Fund

#### Investment objective and policy

To provide a portfolio designed to achieve income by investing primarily in US Equities in any economic sector whilst participating in long term capital growth.

US Equities are securities issued by companies that are incorporated under the laws of, and have their registered office in, the US, or that derive the predominant part of their economic activity from the US, even if listed elsewhere.

Financial Derivative Instruments (derivatives) may be used for the purpose of Efficient Portfolio Management, including hedging, where appropriate (see section 11.14 for Risk Warnings on derivatives). Subject to at least 60 days notice to shareholders, the Fund may use derivatives for investment purposes which may change the risk profile of the Fund.

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

#### Risk profile

- The value of your investment may fall as well as rise and you may get back less than you originally invested.
- The value of Equity and Equity-Linked Securities may fluctuate in response to the performance of individual companies and general market conditions.
- As the portfolio of the Fund is primarily focused on generating income, it may bear little resemblance to the composition of its Benchmark.
- The single market in which the Fund primarily invests, in this case the US, may be subject to particular political and economic risks and, as a result, the Fund may be more volatile than more broadly diversified funds.
- For investors in Share Classes which are not hedged to Sterling, movements in currency exchange rates can adversely affect the return of your investment.

- Investors in GBP Hedged Share Classes should be aware that any currency hedging process may not give a precise hedge. Where currency hedging is undertaken, whilst it may protect an investor in Hedged Shares against a decrease in the value of the currency being hedged, it may also prevent the investor from participating in an increase in the value of that currency. Please see Section 1.3 for more information on Hedged Share Classes.
- This Fund charges the annual fee of the Authorised Corporate Director (ACD) against capital, which will increase the amount of income available for distribution to Shareholders, but may constrain capital growth. It may also have tax implications for certain investors.

### JPM US Fund

#### Investment objective and policy

To provide capital growth over the long term by investing primarily through a portfolio invested in the shares of US companies.

US companies are companies that are incorporated under the laws of, and have their registered office in, the US, or that derive the predominant part of their economic activity from the US, even if listed elsewhere.

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

#### Risk profile

- The value of your investment may fall as well as rise and you may get back less than you originally invested.
- The value of Equity and Equity-Linked Securities may fluctuate in response to the performance of individual companies and general market conditions.
- The single market in which the Fund primarily invests, in this case the US, may be subject to particular political and economic risks and, as a result, the Fund may be more volatile than more broadly diversified funds.
- Movements in currency exchange rates can adversely affect the return of your investment.

### JPM US Select Fund

#### Investment objective and policy

To invest in a portfolio of North American securities. The current policy is to invest for capital growth without any distribution target.

North American securities are securities issued by companies that are incorporated under the laws of, and have their registered office in, North America, or that derive the predominant part of their economic activity from North America, even if listed elsewhere.

#### Risk profile

- The value of your investment may fall as well as rise and you may get back less than you originally invested.
- The value of Equity and Equity-Linked Securities may fluctuate in response to the performance of individual companies and general market conditions.
- The single market in which the Fund primarily invests, in this case the US, may be subject to particular political and economic risks and, as a result, the Fund may be more volatile than more broadly diversified funds.
- Movements in currency exchange rates can adversely affect the return of your investment.

### Benchmark of JPM Global High Yield Bond Fund

Please note the benchmark for the JPM Global High Yield Bond Fund changed on 1 January 2010. The old benchmark was BofA Merrill Lynch High Yield US BB/B Constrained Index hedged to GBP and the new benchmark is BofA Merrill Lynch US High Yield Master II Constrained Index hedged to GBP. However, over the period from 1 January 2010 to 1 July 2012, the name of the benchmark was incorrectly reported as its predecessor although the underlying performance data was that of the correct benchmark BofA Merrill Lynch US High Yield Master II Constrained Index hedged to GBP. This has had no impact on the performance of the fund.

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

## Benchmark of JPM Sterling Corporate Bond Fund

On 1 September the benchmark of the Fund was changed from the Barclays Sterling Aggregate Corporate Bond Index to the Markit iBoxx GBP Non-Gilts as this was felt to be more consistent with the way the fund is managed.

## Preliminary Charges for Class A Shares

With effect from 1 December 2012 the preliminary charge for Class A Shares in all sub-funds of JPMorgan Fund ICVC is being reduced to 3% to ensure a consistent charging structure across the JPMorgan OEIC Fund Range.

## Launch of new Sub-Funds

The Diversified Real Return Fund was launched on 1 May 2012.

The JPM Emerging Markets Income Fund was launched on 24 July 2012.

## JPM Highbridge Statistical Market Neutral Fund

On 11 April 2012 the ACD informed shareholders of the intention to close this fund. On 23 May 2012 all trading in the fund ceased and on or around 8 June 2012 proceeds were sent to shareholders.

## Management and Administration

### Authorised Corporate Director

JPMorgan Funds Limited  
3 Lochside View  
Edinburgh Park  
Edinburgh, EH12 9DH  
(Authorised and regulated by the Financial Services Authority)

### Depository

National Westminster Bank plc  
135 Bishopsgate  
London, EC2M 3UR  
(Authorised and regulated by the Financial Services Authority)

### Independent Auditors

PricewaterhouseCoopers LLP  
Statutory auditors and chartered accountants  
PO Box 90, 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 Services Authority)

### Registrar

JPMorgan Asset Management Marketing Limited  
25 Bank Street  
Canary Wharf  
London, E14 5JP  
(Authorised and regulated by the Financial Services Authority)

By order of the Authorised Corporate Director,



Mr D Watkins  
Director  
JPMorgan Funds Limited  
10 September 2012



Ms T McDowall  
Director  
JPMorgan Funds Limited  
10 September 2012

# Investment Adviser's Report for the six months ending 31 July 2012

## Market review

The six-month period under review was again highly volatile for investors. Most worrisome was the ongoing instability in the eurozone, as the single currency bloc lurched from one crisis to another. Concerns over a sharp slowdown in Chinese growth and fears that the US recovery may be grinding to a halt also played on investors' minds.

Against this backdrop of economic instability, safe haven assets continued to benefit from strong demand, helping to drive government bond yields in the most creditworthy countries sharply lower. Benchmark ten-year US Treasury and German Bund yields hit record lows in the period below 1.5%. The JPMorgan Global ex UK Bond Index was up 2.6% in sterling terms (Source J.P. Morgan).

Despite all the negative news, many riskier assets also performed well. Global stock markets ended the six-month review period higher, with the MSCI World Net Index up 2.9% in sterling terms, while corporate investment grade and high yield securities performed even better - the Bank of America Merrill Lynch US High Yield Master II Index was up 6.0% and the Barcap Sterling Aggregate Corporate Index gained 7.4%. Investors were attracted by solid profits growth and strong corporate finances, while a growing belief that further economic stimulus would be provided by global central banks also helped to boost confidence, particularly towards the end of the review period.

However, investors' risk aversion did show through in the underperformance of emerging market equities, with the MSCI Emerging Markets Net Index falling 4.2% in sterling terms. The modest rise in developed market equities was also largely driven by demand for defensive stocks, such as healthcare and consumer staples, with the more economically sensitive industrials and commodities sectors generally lagging.

Top of investors' concerns was the eurozone crisis, as turmoil in Greece threatened to spread to Spain and Italy with potentially dire consequences for the single currency. Greece came close to default and an exit from the euro on several occasions as it struggled to secure a second bailout from the European Union. In March, a deal with private investors to broker the biggest sovereign debt restructuring in history went to the wire, while legislation to introduce further spending cuts was only narrowly approved by the Greek parliament.

However, the bailout was thrown into doubt in May as anti-austerity parties made strong gains in an inconclusive general election, raising the threat of a Greek default once again. Although the pro-bailout New Democracy Party took the largest share of the vote in a second ballot and succeeded in forming a coalition government, Greece's deteriorating finances remained a source of much concern.

Meanwhile, Spanish and Italian borrowing costs also rose sharply amid growing worries over the solvency of both governments. Spain suffered the most as the country's banks struggled with rising losses on property loans. In June, European finance ministers agreed to provide up to EUR 100 billion in support, but this only served to shift Spanish banks' debts onto the government balance sheet, and yields on Spanish and Italian debt continued to rise.

European leaders reacted by agreeing a plan to allow the eurozone's rescue fund to lend to banks directly, rather than lending to peripheral sovereigns to enable them to support their banks. However, this plan will not happen until a new supervisory body for eurozone banks is established - a step towards closer fiscal union that may prove difficult to achieve. With Spain's economy contracting sharply and regional governments in Catalonia and Andalusia requiring financial assistance, Spanish bond yields broke through 7% in July, reaching levels that many commentators believe to be unsustainable.

Outside of the dire situation in Europe, a deteriorating outlook for the US and Chinese economies added to the pressure on confidence. US data had provided positive surprises early in 2012, with unemployment dropping from 9.1% in August 2011 to 8.1% by April 2012. However, the labour market recovery slowed rapidly towards the end of the review period, while manufacturing data weakened - raising concern that the US recovery was petering out. In China, meanwhile, economic growth slowed to just 7.6% year on year in the second quarter, from an average above 10% over much of the previous decade, with a drop in export demand suggesting that the economy may slow further.

The authorities in the US and China took action towards the end of the review period to try to stimulate growth. The People's Bank of China cut interest rates for the first time since 2008 in June, followed by another reduction in July, while the Federal Reserve announced an extension of its Operation Twist programme, through which it aims to reduce long-term borrowing costs by replacing its short-term bond holdings with longer-term ones.

## Market outlook

As we move into the final third of 2012 the situation in Europe remains as difficult as ever. The recent European Union summit brought moderate progress, but we remain far from a political resolution to the eurozone crisis. The most likely scenario for the rest of the year is a series of small steps by individual governments, combined with renewed efforts by the eurozone as a whole to agree a multinational solution. As a result, the outlook for growth in Europe continues to be uncertain. Until there is greater clarity on the political and economic situation, markets are likely to remain volatile.

Recent US economic news has been disappointing, with manufacturing and employment data falling short of expectations. However, worries that the US will sink back into recession seem overdone. Strong US car demand is likely to be supportive. Meanwhile, the recovery in the housing market is strengthening. This is a significant positive development and seems set to continue. Nevertheless, the outlook for US growth remains sub-par and may disappoint those looking for a more robust recovery.

China, meanwhile, continues to battle to maintain its rapid economic expansion. The biggest potential negative is that monetary easing in China is too slow and GDP growth falls sharply in the second half. However, in a year of political leadership change, the authorities are likely to veer towards a strong growth policy as a means of dampening any potential social unrest.

All of this economic uncertainty is having a negative impact on corporate profit expectations. Although profits for the second quarter of the year (March to June) have largely met analysts' estimates, company outlooks for the second half of the year are overwhelmingly negative.

## Investment Adviser's Report for the six months ending 31 July 2012, continued

A similar pattern of reduced forecasts is evident in Europe and Japan, with European earnings most at risk given the ongoing recession and continued sovereign debt crisis.

As economic activity and company profits encounter turbulence, expectations grow for central bank action. In particular, investors are now hoping for the US Federal Reserve to introduce further quantitative easing, the ECB to recapitalise weak European banks, and China to continue to reduce interest rates. The struggle between weaker company profit trends and strengthening hopes for central bank support is likely to continue to influence stock market performance for the rest of the summer.

JPMorgan Asset Management (UK) Limited  
August 2012

# JPM Asia Fund

## Investment objective and policy

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

The Fund aims to provide broad market exposure which will include exposure to Emerging Markets. Smaller company investments and Participation Notes may be held on an ancillary basis.

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

## Risk profile

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

The value of Equity and Equity-Linked Securities may fluctuate in response to the performance of individual companies and general market conditions. Furthermore, Participation Notes run the risk of counterparty default which may result in the loss of the full market value of the Note.

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

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

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

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

## Fund review

In the period under review, the Fund underperformed its benchmark. Stock selection contributed to the majority of the underperformance, while asset allocation was neutral. Stock selection in China and Indonesia detracted from relative performance, and gains in markets such as Hong Kong, India and Thailand were not enough to make up for the loss.

The first quarter saw a rally in markets, with a mild correction in March. The rally was led by the South East Asian Markets, with the Philippines and Thailand being standout performers, while the Greater China markets lagged as concerns about a hard landing for the Chinese economy weighed on markets. In the second quarter, markets remained volatile, falling so sharply in May they almost erased their year-to-date gains. Europe continued to take the limelight, with elections in France and Greece, a deposit flight across the Mediterranean and concerns in Germany. In China, the People's Bank of China is easing monetary policy and the government is accelerating investment, however, the market overall remains concerned about whether or not China's economy is going to experience a sharp slowdown.

## Fund outlook

The outlook for the second half of the year remains uncertain. While measures from the European Union summit were received optimistically, much still needs to be done. At the corporate level, valuations in Asia are attractive given solid balance sheets and robust medium to longer-term growth outlooks. With a price-to-book value of less than 1.5x there is support, assuming external events do not deteriorate and economic growth in India and China does not slow further. The problem that will not convincingly go away is earnings forecast cuts and the fear of rate cuts hangs over markets and stocks. With depressed sentiment and illiquid trading, the effect of an earnings downgrade is pronounced.

## 12 month performance to 31 July

	2012	2011	2010	2009	2008
<b>JPM Asia A-Class Acc</b>	<b>-16.4%</b>	<b>19.2%</b>	<b>17.0%</b>	<b>13.6%</b>	<b>-13.7%</b>
<b>JPM Asia B-Class Acc</b>	<b>-16.0%</b>	<b>19.7%</b>	<b>17.7%</b>	-	-
<b>Benchmark Index<sup>A</sup></b>	<b>-8.0%</b>	<b>14.7%</b>	<b>21.0%</b>	<b>12.8%</b>	<b>-10.5%</b>

## Six month performance to 31 July 2012

<b>JPM Asia A-Class Acc</b>	<b>-3.1%</b>
<b>Benchmark Index<sup>A</sup></b>	<b>-1.1%</b>

## Fund statistics

<b>Risk and Reward Profile</b>	<b>7</b>
<b>Fund size</b>	<b>£100.8m</b>
<b>Benchmark Index<sup>A</sup></b>	<b>MSCI All Country Asia ex Japan Index (Net)</b>
<b>Fund charges</b>	<b>Initial 4.25%, Annual 1.50%</b>
A-Class	<b>Initial Nil, Annual 1.00%</b>
B-Class	

## Top ten holdings

	%
Samsung Electronics	8.0
Cheung Kong	3.5
Taiwan Semiconductor Manufacturing	3.2
China Mobile	3.1
Astra International	2.5
Jardine Matheson	2.4
China Construction Bank 'H'	2.3
Aia Group	2.3
Hyundai Mobis	2.3
Tencent	2.3

You should remember that past performance is not a guide to the future. The price of investments and the income from them may fall as well as rise and investors may not get back the full amount invested. For specific risks, including the risk and reward profile, please refer to the Key Investor Information Document (KIID).

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

Source: J.P. Morgan.

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

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

## Geographical breakdown

	%
Hong Kong	23.6
South Korea	22.8
China	19.3
Taiwan	10.0
India	8.9
Thailand	5.6
Singapore	5.0
Indonesia	4.9
Malaysia	0.3
Net other liabilities	(0.4)

## Highest/lowest share price and distribution record

Calendar year	Highest share price	Lowest share price	Distribution per share (net)
<b>A-Class Accumulation Shares</b>			
2007	108.1p	67.31p	0.00p
2008	98.28p	46.88p	0.32p
2009	99.50p	54.94p	0.58p
2010	123.8p	91.30p	0.14p
2011	126.4p	85.22p	0.19p
2012 <sup>b</sup>	108.5p	94.00p	0.56p
<b>A-Class Income Shares<sup>c</sup></b>			
2007	61.87p	50.00p	-
2008	56.27p	26.79p	0.05p
2009	56.38p	31.14p	0.31p
2010	70.01p	51.66p	0.09p
2011	71.49p	48.13p	0.11p
2012 <sup>b</sup>	60.94p	52.79p	0.32p
<b>B-Class Accumulation Shares<sup>d</sup></b>			
2008	103.9p	64.36p	-
2009	137.4p	75.51p	0.61p
2010	171.8p	126.1p	0.00p
2011	175.4p	118.8p	0.92p
2012 <sup>b</sup>	151.5p	131.4p	1.58p

<sup>b</sup> To 31 July 2012.

<sup>c</sup> A-Class Income Shares were launched on 1 September 2007.

<sup>d</sup> B-Class Accumulation Shares were launched on 4 September 2008.

## Portfolio turnover rate

31.01.12	149.4%
31.07.12	90.5%

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.

## Net asset values and Ongoing charges

Date	Net asset value per share class £'000	Number of shares	Net asset value per share	Ongoing charges
<b>A-Class Accumulation Shares</b>				
31.01.10	121,961	131,885,355	92.47p	1.68%
31.01.11	129,367	108,855,370	118.8p	1.68%
31.01.12	104,297	101,044,692	103.2p	1.68%
31.07.12	99,257	99,187,151	100.1p	1.68%
<b>A-Class Income Shares</b>				
31.01.10 <sup>e</sup>	320	612,454	52.30p	1.68%
31.01.11 <sup>e</sup>	513	764,239	67.11p	1.68%
31.01.12 <sup>e</sup>	580	999,924	57.97p	1.68%
31.07.12	598	1,064,495	56.20p	1.68%
<b>B-Class Accumulation Shares</b>				
31.01.10	10	8,000	127.7p	1.15%
31.01.11	10	6,000	165.0p	1.15%
31.01.12	1,033	717,224	144.1p	1.15%
31.07.12	964	687,811	140.1p	1.15%

<sup>e</sup> The net asset value and the net asset value per income share are shown ex-dividend at the financial year end.

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 and any fixed expenses expressed as a percentage of the daily net asset values over the period. The main difference between the two calculations is the inclusion of 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 31 July 2012

Investment	Holding	Market value £'000	Total net assets %
<b>Hong Kong - 23.6% (17.7%)</b>			
AAC Technologies	212,000	395	0.4
Aia Group	1,021,600	2,289	2.3
Belle International	1,095,000	1,291	1.3
Cheung Kong	418,000	3,506	3.5
Cheung Kong Infrastructure	555,000	2,138	2.1
China Overseas Land & Investments	614,000	926	0.9
China Resources Gas	538,000	659	0.7
China Resources Land	706,000	911	0.9
Galaxy Entertainment Group	324,000	497	0.5
Intime Department Store	1,509,500	905	0.9
Jardine Matheson	74,000	2,470	2.4
Kerry Properties	261,500	763	0.7
Li & Fung	590,000	742	0.7
New World Development	1,213,000	989	1.0
Orient Overseas International	216,500	782	0.8
Prada	294,600	1,300	1.3
Springland International	2,350,000	703	0.7
Standard Chartered	34,000	507	0.5
Swire Properties	306,400	582	0.6
Wharf	382,200	1,408	1.4
<b>South Korea - 22.8% (17.1%)</b>			
Amorepacific	1,000	577	0.6
Hyundai Heavy Industries	10,700	1,457	1.4
Hyundai Mobis	13,500	2,280	2.3
Hyundai Motor	9,500	1,270	1.3
KB Financial Group	63,170	1,286	1.3
KIA Motors	32,300	1,422	1.4
LG	19,800	653	0.6
LG Chemical	7,100	1,255	1.2
LG Household & Healthcare	1,550	507	0.5
POSCO	7,600	1,560	1.5
Samsung C&T	29,000	1,051	1.0
Samsung Electronics	10,864	8,019	8.0
Samsung Engineering	9,500	978	1.0
Shinhan Financial	36,000	734	0.7
<b>China - 19.3% (22.1%)</b>			
Agricultural Bank of China 'H'	5,413,000	1,402	1.4
Baidu ADS	3,268	253	0.3
China Coal Energy 'H'	527,000	309	0.3
China Construction Bank 'H'	5,436,460	2,338	2.3
China Mobile	419,000	3,135	3.1
China Minsheng Banking 'H'	1,724,500	1,018	1.0
China National Building Material 'H'	1,026,000	640	0.6
China Oilfield Services 'H'	1,274,000	1,253	1.2
China Petroleum & Chemical 'H'	1,922,000	1,111	1.1
China Southern Airlines 'H'	1,728,000	546	0.5
China Vanke 'B'	823,000	673	0.7
CNOOC	1,136,000	1,467	1.5
Great Wall Motor	362,000	519	0.5
New China Life Insurance 'H'	453,500	906	0.9
Ping An Insurance 'H'	242,000	1,208	1.2
Tencent	119,100	2,268	2.3
Zoomlion Heavy Industry Science and Technology	613,200	438	0.4
<b>Taiwan - 10.0% (8.5%)</b>			
Advanced Semiconductor Engineering	1,357,426	675	0.7
Asustek Computer	129,260	766	0.8
Catcher Technology	110,000	339	0.3
Delta Electronics	459,000	987	1.0
Foxconn Technology	265,550	599	0.6
Hon Hai Precision Industry	188,000	338	0.3
MediaTek	86,000	466	0.5
Powertech Technology	351,000	451	0.4
Prince Housing Development	828,000	338	0.3
Quanta Computer	355,000	592	0.6
Taiwan Semiconductor Manufacturing	1,881,000	3,238	3.2
Uni-President Enterprises	1,166,000	1,251	1.3

Investment	Holding	Market value £'000	Total net assets %
<b>India - 8.9% (15.3%)</b>			
ACC	71,000	1,081	1.1
Godrej Industries	394,115	1,075	1.1
HDFC Bank	209,000	1,410	1.4
Housing Development Finance	168,000	1,327	1.3
Indusind Bank	471,029	1,872	1.9
Mahindra & Mahindra	130,000	1,042	1.0
Mahindra & Mahindra Financial Service	139,588	1,135	1.1
<b>Thailand - 5.6% (4.3%)</b>			
Advanced Info Service Public (Alien Market)	295,000	1,195	1.2
Kasikornbank Non-Voting Depository Receipt	552,600	1,952	1.9
Krung Thai Bank (Alien Market)	3,258,900	1,082	1.1
LPN Development Non-Voting Depository Receipt	1,078,000	378	0.4
Siam Cement Non-Voting Depository Receipt	154,100	1,020	1.0
<b>Singapore - 5.0% (5.4%)</b>			
Keppel	395,500	2,263	2.2
Noble Group	957,000	525	0.5
Oversea-Chinese Banking	290,594	1,417	1.4
Singapore Telecommunications	483,000	884	0.9
<b>Indonesia - 4.9% (5.8%)</b>			
Astra International	5,338,500	2,502	2.5
Bank Central Asia	2,942,000	1,577	1.6
United Tractors	590,216	832	0.8
<b>Malaysia - 0.3% (1.0%)</b>			
Sapura Kencana Petroleum	615,000	306	0.3
<b>Investment assets</b>		<b>101,211</b>	<b>100.4</b>
<b>Net other liabilities</b>		<b>(392)</b>	<b>(0.4)</b>
<b>Net assets</b>		<b>100,819</b>	<b>100.0</b>

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

The comparative percentage figures in brackets are at 31 January 2012.

## Portfolio movements

For the six months ending 31 July 2012

	£'000		£'000
<b>Total of all purchases for the period</b>	<b>55,206</b>	<b>Total of all sales for the period</b>	<b>53,521</b>
<b>Major purchases</b>	<b>Cost</b>	<b>Major sales</b>	<b>Proceeds</b>
China Mobile	1,755	Agricultural Bank of China 'H'	2,418
Samsung Electronics	1,557	Sands China	2,060
China Oilfield Services 'H'	1,475	Infosys Technologies	2,025
Taiwan Semiconductor Manufacturing	1,334	Bank Mandiri (Persero)	1,895
KIA Motors	1,321	Industrial & Commercial Bank of China 'H'	1,857
Astra International	1,276	JPM India 'A' USD (Income)^	1,749
Housing Development Finance	1,254	Formosa Chemical & Fibre	1,528
Belle International	1,244	Hutchison Whampoa	1,507
New China Life Insurance 'H'	1,231	E-mart	1,454
Hyundai Motor	1,200	Wharf	1,286
Prada	1,199	China Construction Bank 'H'	1,271
Charoen Pokphand Foods	1,152	Reliance Industries	1,251
TPK	1,090	Taiwan Semiconductor Manufacturing	1,228
ACC	1,088	Yanzhou Coal Mining 'H'	1,219
Uni-President Enterprises	1,071	Infrastructure Development Finance	1,134
Advanced Info Service Public (Alien Market)	1,054	CNOOC	1,128
China Minsheng Banking 'H'	992	Samsung Electronics	1,119
Cheung Kong	923	Charoen Pokphand Foods	1,072
China Construction Bank 'H'	912	Bangkok Bank Non-Voting	1,032
Keppel	910	Jardine Strategic	1,019

^ Deemed to be investment in related parties of the ACD

# Financial statements

## Statement of total return

(Unaudited)

For the six months ending 31 July

	2012	2011
	£'000	£'000
Income		
Net capital (losses)/gains	(3,943)	363
Revenue	1,581	1,754
Expenses	(861)	(1,045)
Net revenue before taxation	720	709
Taxation	(111)	(169)
Net revenue after taxation	609	540
<b>Total return before distributions</b>	<b>(3,334)</b>	<b>903</b>
Finance costs: Distributions	(14)	(4)
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>(3,348)</b>	<b>899</b>

## Balance sheet

(Unaudited)

As at

	31 July 2012	31 January 2012
	£'000	£'000
<b>ASSETS</b>		
Investment assets	101,211	103,520
Debtors	569	1,805
Cash and bank balances	1,081	2,028
<b>Total other assets</b>	<b>1,650</b>	<b>3,833</b>
<b>Total assets</b>	<b>102,861</b>	<b>107,353</b>
<b>LIABILITIES</b>		
Creditors	(2,042)	(1,440)
Distribution payable on income shares	-	(3)
<b>Total liabilities</b>	<b>(2,042)</b>	<b>(1,443)</b>
<b>Net assets attributable to shareholders</b>	<b>100,819</b>	<b>105,910</b>

## Statement of change in net assets attributable to shareholders

(Unaudited)

For the six months ending 31 July

	2012	2011
	£'000	£'000
<b>Opening net assets attributable to shareholders</b>	<b>105,910</b>	<b>129,890</b>
Amounts receivable on issue of shares	6,854	1,464
Amounts payable on cancellation of shares	(8,597)	(5,075)
	(1,743)	(3,611)
Change in net assets attributable to shareholders from investment activities (see above)	(3,348)	899
<b>Closing net assets attributable to shareholders</b>	<b>100,819</b>	<b>127,178</b>

As the comparatives in the above table are for the previous interim period, the net assets at the end of that period will not agree to the net assets at the start of the current period.

# JPM Balanced Total Return Fund

## Investment objective and policy

To achieve over a longer-term horizon higher returns than those available from money market instruments denominated in Sterling by investing primarily in Equity securities, fixed income securities, Convertible Bonds, and short-term securities of issuers located in any country.

Typically, the Fund will have a bias towards Equities. Investments in Emerging Markets and smaller companies may be held on an ancillary basis.

Subject to market conditions the Fund may invest up to 90% in cash and cash equivalents. Asset and country allocations may vary over time to reflect market conditions and opportunities.

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

## Risk profile

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

Total return funds seek to provide a positive return but this is not guaranteed and they should not be used as a substitute for traditional liquidity funds or cash accounts. As the priority of these funds is to provide positive returns, they will not perform in line with stock markets.

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

The value of Bonds and other Debt Securities may change significantly depending on market, economic and interest rate conditions as well as the creditworthiness of the issuer. Issuers of Bonds and other Debt Securities may fail to meet payment obligations (default) or the credit rating of Bonds and other Debt Securities may be downgraded.

Convertible Bonds are subject to the credit, interest rate and markets risks associated with both Bonds and Equity securities, and to risks specific to Convertible Securities. Convertible Bonds may also be more difficult to sell than the underlying Equity securities.

The Fund may use Financial Derivative Instruments (derivatives) and/or forward transactions for investment purposes. The value of derivatives can be volatile. This is because a small movement in the value of the underlying asset can cause a large movement in the value of the derivative and therefore, investment in derivatives may result in losses in excess of the amount invested by the Fund.

The Fund's asset allocation is actively managed. There is a risk that the performance of the Fund will suffer if the allocation to any particular asset class is low when that asset class is outperforming or high when that asset class is underperforming.

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.

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

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

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).

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

## Fund review

The six-month review period was volatile for global markets, with risk assets performing strongly in the earlier part of the period, only to subsequently reverse amid weakening global macro economic data and worries related to the ongoing eurozone debt crisis. In this environment the Fund produced a negative return and lagged its cash benchmark.

The period began well, with the Fund producing positive returns driven by significant equity exposure and strong stock selection, before equity markets began their decline in April. May, which was characterised by volatile and falling equity markets, proved to be a particularly difficult period for the Fund. The Fund's equity sensitivity (delta) was around 50%, based on our intermediate-term view that equities looked attractive on a valuation basis relative to government bonds, and this exposure detracted, as did stock selection. Stock selection was more beneficial in July, with performance in continental Europe and Japan providing a significant contribution to return.

Fixed income positions were concentrated in the US and Australia over the period. While the sell-off in US Treasuries detracted in March, our positions in US five- and ten-year government bonds benefited performance in April and May. We remain committed to our long-held index-linked positions, with our position in Australian index-linked bonds adding value in July.

## Fund outlook

In line with our Global Strategy Team's medium-term view, we expect to maintain a mid-range delta in the Fund. Although they are expensive, we are likely to remain positive on core fixed income markets where carry is attractive, central banks remain supportive and there are diversification benefits for the portfolio.

## 12 month performance to 31 July

	2012	2011	2010	2009	2008
<b>JPM Balanced Total Return</b>					
A-Class Acc	-5.9%	6.7%	5.8%	-3.8%	-3.1%
<b>JPM Balanced Total Return</b>					
I-Class Acc	-5.0%	7.7%	6.6%	-3.1%	-2.4%
Benchmark Index	0.8%	0.6%	0.5%	2.6%	6.0%

## Six month performance to 31 July 2012

<b>JPM Balanced Total Return A-Class Acc</b>	-1.3%
Benchmark Index	0.4%

## Fund statistics

Risk and Reward Profile	6
Fund size	£8.4m
Benchmark Index	BBA 1 month GBP LIBOR
Fund charges	
A-Class	Initial 4.25%, Annual 1.50%
I-Class	Initial Nil, Annual 0.75%

## Top ten holdings (excluding Liquidity funds) %

Australia 4% 2020	7.7
Apple	2.3
Treasury 4.5% 2013	2.2
Pfizer	1.1
Royal Dutch Shell 'A'	1.1
Wells Fargo	1.0
Merck & Co	1.0
Chevron	0.9
Microsoft	0.9
Vodafone Group	0.8

## Sector breakdown %

Equities	76.8
Fixed interest securities	9.9
Options	0.3
Forward currency contracts	0.2
Futures	(1.7)
Net other assets	14.5

In line with current accounting practice the sector breakdown includes the unrealised profit or loss on derivative holdings and consequently the economic market exposure of the fund cannot be fully determined from the above disclosure.

## Highest/lowest share price and distribution record

Calendar year	Highest share price	Lowest share price	Distribution per share (net)
<b>A-Class Accumulation Shares</b>			
2007	55.17p	51.95p	0.64p
2008	54.89p	44.65p	0.95p
2009	53.46p	43.72p	1.02p
2010	57.82p	51.12p	0.87p
2011	58.26p	50.95p	1.07p
2012 <sup>A</sup>	55.90p	52.17p	0.88p
<b>A-Class Income Shares</b>			
2007	54.68p	51.56p	0.63p
2008	54.23p	43.32p	0.93p
2009	50.96p	42.24p	0.99p
2010	54.07p	48.21p	0.79p
2011	54.10p	46.99p	1.00p
2012 <sup>A</sup>	51.10p	47.39p	0.80p
<b>I-Class Accumulation Shares</b>			
2007	111.4p	104.4p	2.37p
2008	111.1p	90.89p	2.70p
2009	109.5p	89.20p	2.41p
2010	119.6p	105.4p	2.01p
2011	121.2p	106.2p	2.40p
2012 <sup>A</sup>	117.0p	109.5p	2.04p
<b>I-Class Income Shares</b>			
2007	109.6p	103.2p	2.34p
2008	108.6p	86.65p	2.62p
2009	102.4p	84.53p	2.27p
2010	109.3p	97.24p	1.85p
2011	109.8p	95.63p	2.18p
2012 <sup>A</sup>	104.3p	96.93p	1.82p

<sup>A</sup> To 31 July 2012.

## Portfolio turnover rate

31.01.12	156.3%
31.07.12	70.1%

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

## Net asset values and Ongoing charges

Date	Net asset value per share class £'000	Number of shares	Net asset value per share	Ongoing charges
<b>A-Class Accumulation Shares</b>				
31.01.10	8,053	15,543,846	51.81p	1.68%
31.01.11	8,014	14,190,303	56.48p	1.68%
31.01.12	7,021	13,021,569	53.92p	1.68%
31.07.12	5,648	10,611,198	53.22p	1.68%
<b>A-Class Income Shares</b>				
31.01.10	2,083	4,244,130	49.10p	1.68%
31.01.11	2,292	4,354,913	52.63p	1.68%
31.01.12	2,069	4,196,910	49.30p	1.68%
31.07.12	1,840	3,826,506	48.08p	1.68%
<b>I-Class Accumulation Shares</b>				
31.01.10	496	465,872	106.4p	0.75%
31.01.11	545	465,872	117.1p	0.75%
31.01.12	526	465,872	112.8p	0.75%
31.07.12	521	465,872	111.9p	0.75%
<b>I-Class Income Shares</b>				
31.01.10	440	445,722	98.68p	0.75%
31.01.11	476	445,722	106.6p	0.75%
31.01.12	449	446,722	100.6p	0.75%
31.07.12	439	445,722	98.45p	0.75%

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 and any fixed 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 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 31 July 2012

Investment	Holding	Market value £'000	Total net assets %	Investment	Holding	Market value £'000	Total net assets %
<b>Equities - 76.8% (69.5%)</b>				<b>United States of America - 38.3%</b>			
Abbott Laboratories	831	35	0.4	National Oilwell Varco	296	14	0.2
Accenture 'A'	393	15	0.2	Nextera Energy	370	17	0.2
Adobe Systems	1,095	22	0.3	Norfolk Southern	572	27	0.3
Agco	503	14	0.2	Northrop Grumman	310	13	0.2
Agilent Technologies	673	16	0.2	NVIDIA	1,879	16	0.2
Akorn	1,154	10	0.1	Occidental Petroleum	599	34	0.4
Allergan	343	19	0.2	Old Dominion Freight Line	535	14	0.2
Altera	740	17	0.2	Oracle	1,510	29	0.3
Altria Group	1,833	42	0.5	PartnerRe	243	12	0.1
Amazon	181	27	0.3	PepsiCo	603	28	0.3
American Express	695	26	0.3	Pfizer	6,137	93	1.1
American Financial Group	839	20	0.2	PG&E	577	17	0.2
American Tower	455	21	0.2	Philip Morris International	893	52	0.6
Ameriprise Financial	576	19	0.2	Pier 1 Imports	1,340	14	0.2
Amgen	690	37	0.4	PNC Financial Services Group	624	24	0.3
Anadarko Petroleum	617	28	0.3	Precision Castparts	50	5	0.1
Apache	418	23	0.3	Priceline.com	37	16	0.2
Apple	516	196	2.3	Prudential Financial	562	17	0.2
AT&T	2,167	52	0.6	Qualcomm	735	28	0.3
Baxter International	400	15	0.2	Quanta Services	1,290	19	0.2
BB&T	1,033	21	0.2	Raytheon	481	17	0.2
Biogen Idec	277	26	0.3	Ross Stores	384	16	0.2
Brinker International	1,025	21	0.2	Sprint Nextel	5,710	16	0.2
Cameron International	400	13	0.2	Starwood Hotels 'B'	734	25	0.3
Capital One Financial	767	28	0.3	SunTrust Banks	1,135	17	0.2
Carnival	766	16	0.2	Target	501	20	0.2
CBS 'B'	863	18	0.2	Texas Capital Bancshares	699	19	0.2
CF Industries	149	19	0.2	The Travelers Companies	496	22	0.3
Chevron	1,128	79	0.9	Time Warner	1,171	29	0.3
Cisco Systems	2,023	20	0.2	Time Warner Cable	397	20	0.2
Citigroup	3,173	55	0.7	Union Pacific	307	24	0.3
Coca-Cola	726	38	0.4	United Technologies	520	25	0.3
Cognizant Technology Solutions	368	13	0.2	UnitedHealth Group	763	26	0.3
Comcast 'A'	1,159	24	0.3	US Bancorp Delaware	1,342	29	0.3
Cooper	405	20	0.2	Valero Energy	790	13	0.2
Covidien	744	27	0.3	Veeco	677	15	0.2
Cummins	439	25	0.3	Verizon Communications	1,030	30	0.4
CVS Caremark	673	19	0.2	VF	223	21	0.2
Danaher	515	17	0.2	Wal-Mart Stores	974	47	0.6
Discover Financial Services	1,201	28	0.3	Walt Disney	946	30	0.4
Discovery Communications	519	17	0.2	Wells Fargo	3,950	86	1.0
Dow Chemical	882	16	0.2	<b>United Kingdom - 10.8%</b>			
DR Horton	1,492	17	0.2	Associated British Foods	1,474	19	0.2
eBay	761	22	0.3	AstraZeneca	701	21	0.2
EMC	1,021	17	0.2	Aviva	5,826	17	0.2
EOG Resources	366	23	0.3	Barclays	16,015	27	0.3
ExxonMobil	960	54	0.6	BG Group	2,860	37	0.4
Fedex	300	17	0.2	British American Tobacco	1,473	50	0.6
Fifth Third Bancorp	2,491	22	0.3	BT Group	8,370	18	0.2
Foot Locker	825	18	0.2	Burberry Group	1,334	17	0.2
Freeport-McMoRan Copper & Gold	1,038	23	0.3	Centrica	6,564	21	0.2
Gap	727	14	0.2	Enscor 'A'	497	18	0.2
General Electric	4,720	63	0.7	GlaxoSmithKline	2,513	37	0.4
Google 'A'	176	71	0.8	HSBC	5,837	31	0.4
Hain Celestial Group	470	17	0.2	Imperial Tobacco Group	970	24	0.3
Hartford Financial Services Group	2,194	23	0.3	Inchcape	4,452	17	0.2
Hess	500	15	0.2	Intercontinental Hotels Group	1,108	17	0.2
IBM	441	55	0.7	ITV	17,171	13	0.2
Intel	1,104	18	0.2	Legal & General Group	14,319	18	0.2
Jazz Pharmaceuticals	542	17	0.2	Marks & Spencer	7,392	25	0.3
Johnson & Johnson	1,533	68	0.8	Meggitt	4,094	16	0.2
KLA-Tencor	476	16	0.2	Persimmon	2,378	15	0.2
Kraft Foods 'A'	957	24	0.3	Petrofac	1,041	16	0.2
Lennar	1,041	20	0.2	Prudential	4,357	34	0.4
Lilly (Eli) & Co	799	22	0.3	Resolution	5,400	11	0.1
LinkedIn 'A'	235	16	0.2	Rio Tinto	1,293	39	0.5
Lowes	1,175	20	0.2	Royal Dutch Shell 'A'	4,174	91	1.1
Macy's	935	22	0.3	Shire	1,044	20	0.2
Marathon Oil	1,243	21	0.2	Spectris	855	13	0.2
Marathon Petroleum	593	18	0.2	Standard Chartered	3,183	47	0.6
MasterCard	82	23	0.3	Taylor Wimpey	42,632	19	0.2
McKesson	322	19	0.2	Tullow Oil	1,409	18	0.2
Merck & Co	2,984	85	1.0	Unilever	1,131	26	0.3
Microsoft	4,161	79	0.9	Vodafone Group	38,794	71	0.8
Monster Beverage	257	11	0.1	Weir Group	764	13	0.2
Motorola Solutions	714	22	0.3	Wolseley	627	15	0.2
Mylan Laboratories	1,433	21	0.2	WPP	3,112	26	0.3

# Portfolio statement – continued

As at 31 July 2012

Investment	Holding	Market value £'000	Total net assets %	Investment	Holding	Market value £'000	Total net assets %
<b>Japan – 4.8%</b>				<b>China – 1.3%</b>			
Anritsu	3,000	24	0.3	Baidu ADS	355	27	0.3
FamilyMart	700	21	0.2	China Construction Bank 'H'	45,000	19	0.2
FANUC	200	20	0.2	China Shenhua Energy 'H'	6,500	15	0.2
Hitachi	6,000	23	0.3	Industrial & Commercial Bank of China 'H'	65,000	24	0.3
Isuzu Motors	7,000	23	0.3	Ping An Insurance 'H'	5,500	27	0.3
Itochu	3,400	23	0.3	<b>Netherlands – 1.0%</b>			
Japan Tobacco	1,200	24	0.3	ASML	550	21	0.2
Komatsu	1,200	17	0.2	ING Bank	4,784	20	0.2
Makita	1,000	22	0.3	Philips Electronics	1,540	22	0.3
Marubeni	5,000	22	0.3	Unilever	1,113	25	0.3
Medipal	1,500	14	0.2	<b>Brazil – 0.7%</b>			
Mitsubishi	1,700	22	0.3	Cielo	840	16	0.2
Nippon Telegraph & Telephone	700	21	0.2	Companhia de Bebidas das Americas ADR Preference	643	16	0.2
Nissan Motor	4,200	25	0.3	Petroleo Brasileiro ADS	1,794	23	0.3
Orix	370	22	0.3	<b>India – 0.6%</b>			
Seven & I	700	14	0.2	HDFC Bank ADR	784	17	0.2
Sumitomo	2,600	23	0.3	ICICI Bank ADR	780	18	0.2
Sumitomo Mitsui Financial Group	1,300	26	0.3	Yes Bank	4,573	19	0.2
<b>France – 4.2%</b>				<b>Belgium – 0.6%</b>			
Accor	1,000	21	0.2	Anheuser-Busch InBev	667	33	0.4
AXA	3,826	30	0.4	Solvay	297	20	0.2
BNP Paribas	966	24	0.3	<b>South Korea – 0.5%</b>			
Lafarge	811	24	0.3	Hyundai Motor	146	20	0.2
LVMH	155	15	0.2	Samsung Electronics	37	27	0.3
Pernod-Ricard	356	24	0.3	<b>Finland – 0.4%</b>			
PPR	307	29	0.3	Nokian Renkaa	545	14	0.2
Sanofi	993	52	0.6	UPM-Kymmene	2,898	20	0.2
Schneider Electric	806	30	0.4	<b>Israel – 0.3%</b>			
Technip	355	24	0.3	Teva Pharmaceutical Industries ADR	1,104	29	0.3
TOTAL S.A.	1,715	51	0.6	<b>Indonesia – 0.3%</b>			
Vivendi	2,276	28	0.3	Bank Rakyat Indonesia	52,500	25	0.3
<b>Germany – 3.7%</b>				<b>Singapore – 0.3%</b>			
Allianz	477	31	0.4	Avago Technologies	1,009	23	0.3
BASF	457	22	0.3	<b>South Africa – 0.3%</b>			
Bayer	947	47	0.6	Tiger Brands	1,031	22	0.3
Bilfinger Berger	356	19	0.2	<b>Spain – 0.2%</b>			
BMW	459	22	0.3	Amadeus IT	1,439	20	0.2
Continental	307	18	0.2	<b>Ireland – 0.2%</b>			
Freenet	1,679	16	0.2	Kerry Group 'A'	593	17	0.2
Fresenius	345	23	0.3	<b>Taiwan – 0.2%</b>			
Henkel Non-Voting Preference	427	19	0.2	Taiwan Semiconductor Manufacturing ADS	1,775	15	0.2
Linde	202	19	0.2	<b>Italy – 0.2%</b>			
SAP	767	31	0.4	Prada	3,300	15	0.2
Volkswagen Non-Voting Preference	304	33	0.4	<b>Fixed interest securities – 9.9% (14.6%)</b>			
<b>Switzerland – 2.6%</b>				<b>Australian Dollar – 7.7%</b>			
ACE	581	27	0.3	Australia 4% 2020	AUD500,000	653	7.7
Compagnie Financiere Richemont 'A'	851	31	0.4	<b>Sterling – 2.2%</b>			
Nestle	1,697	66	0.8	Treasury 4.5% 2013	£184,750	190	2.2
Novartis	932	35	0.4	<b>Options – 0.3% (0.1%)</b>			
Roche (Genusscheine)	400	45	0.5	Foreign Exchange Call Options CNY/USD 6.8 May 2013			
Zurich Financial Services	118	17	0.2	3,600,000			
<b>Canada – 2.4%</b>				4			
Agrium	280	17	0.2	Foreign Exchange Call Options CNY/USD 6.5 May 2013			
Alimentation Couche-Tard 'B'	489	15	0.2	3,600,000			
BCE	573	16	0.2	11			
Canadian National Railway	328	18	0.2	4			
Coastal Energy	1,855	18	0.2	Foreign Exchange Call Options CNY/USD 6.5 May 2013			
First Quantum Minerals	1,891	22	0.3	1,450,000			
Intact Financial	429	17	0.2	(3,600,000)			
Pacific Rubiales Energy	907	13	0.2	15			
Suncor Energy	1,416	28	0.3	23			
Telus Non-Voting Depositary Receipts	468	18	0.2	0.3			
Toronto-Dominion Bank	382	19	0.2				
<b>Hong Kong – 1.5%</b>							
Aia Group	6,000	13	0.2				
Cheung Kong	2,000	17	0.2				
China Overseas Land & Investments	12,000	18	0.2				
Hang Lung Properties	10,000	23	0.3				
Jardine Matheson	800	27	0.3				
Wharf	6,500	24	0.3				
<b>Australia – 1.4%</b>							
Australia & New Zealand Bank Group	1,189	19	0.2				
BHP Billiton	2,469	53	0.6				
Flight Centre	899	13	0.2				
Regis Resources	4,691	14	0.2				
Westfield Retail Trust Units	8,212	17	0.2				

# Portfolio statement – continued

As at 31 July 2012

Investment	Holding	Market value £'000	Total net assets %
<b>Forward currency contracts – 0.2% (0.1%)</b>			
<b>Australian Dollar</b>			
Sell AUD 1,200,338 buy £762,831 dated 13/09/12		(39)	(0.5)
<b>Canadian Dollar</b>			
Sell CAD 324,414 buy £203,784 dated 13/09/12		(3)	-
<b>Euro</b>			
Buy €170,000 sell £137,132 dated 13/09/12		(4)	-
Sell €831,492 buy ¥79,046,939 dated 13/09/12		(7)	(0.1)
Sell €1,445,251 buy £1,169,109 dated 13/09/12		37	0.4
<b>Hong Kong Dollar</b>			
Sell HKD1,555,115 buy £129,067 dated 13/09/12		1	-
<b>Japanese Yen</b>			
Buy ¥4,550,000 sell £37,131 dated 13/09/12		-	-
Sell ¥56,941,907 buy £461,052 dated 13/09/12		(4)	-
<b>Singapore Dollar</b>			
Sell SGD 97,001 buy £48,832 dated 13/09/12		(1)	-
<b>Swedish Krona</b>			
Buy SEK 154,583 sell £14,222 dated 13/09/12		-	-
Sell SEK 154,583 buy £14,032 dated 13/09/12		-	-
<b>Swiss Franc</b>			
Sell CHF 299,109 buy £201,871 dated 13/09/12		7	0.1
<b>US Dollar</b>			
Buy \$1,752,259 sell £1,129,576 dated 13/09/12		(12)	(0.1)
Sell \$5,884,656 buy £3,789,156 dated 13/09/12		37	0.4
Sell \$360,901 buy £229,986 dated 13/09/12		-	-
<b>Futures – (1.7)% ((3.0)%)</b>			
Amsterdam Index Futures Aug 2012	3	5	0.1
Australia 10 Years Bond Futures Sep 2012	6	(3)	-
Australia 3 Years Bond Futures Sep 2012	(13)	9	0.1
CAC40 Euro Futures Aug 2012	6	6	0.1
DAX Index Futures Sep 2012	(6)	(60)	(0.7)
Euro Stoxx 50 Index Futures Sep 2012	(42)	(60)	(0.7)
FTSE 100 Index Futures Sep 2012	5	6	0.1
FTSE/MB Index Futures Sep 2012	3	3	-
Hang Seng Index Futures Aug 2012	(1)	(3)	-
HSCEI Put Futures 8800 Aug 2012	20	(7)	(0.1)
IBEX 35 Index Futures Aug 2012	(3)	(6)	(0.1)
Nasdaq 100 E-Mini Futures Sep 2012	7	8	0.1
Russell 2000 Mini Futures Sep 2012	(4)	(6)	(0.1)
S&P 500 E-Mini Futures Sep 2012	(50)	(97)	(1.1)
S&P/TSX 60 Index Futures Sep 2012	(2)	(5)	(0.1)
SPI 200 Futures Sep 2012	(2)	(5)	(0.1)
Topix Index Futures Sep 2012	14	24	0.3
US 2 Year Note Futures Sep 2012	(13)	(3)	-
US 5 Year Note Futures Sep 2012	11	7	0.1
US 10 Year Note Futures Sep 2012	35	35	0.4
<b>Investment assets (including investment liabilities)</b>		<b>7,221</b>	<b>85.5</b>
<b>Net other assets</b>		<b>1,227</b>	<b>14.5</b>
<b>Net assets</b>		<b>8,448</b>	<b>100.0</b>

Portfolio credit ratings	Market value £'000
AAA	843
<b>Total bonds</b>	<b>843</b>
Equities	6,487
Forward currency contracts	31
Options	12
Futures	(152)
<b>Investment assets (including investment liabilities)</b>	<b>7,221</b>

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

The comparative percentage figures in brackets are at 31 January 2012.

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.

## Portfolio movements

For the six months ending 31 July 2012

	£'000		£'000
<b>Total of all purchases for the period</b>	<b>3,182</b>	<b>Total of all sales for the period</b>	<b>5,052</b>
<b>Major purchases</b>	<b>Cost</b>	<b>Major sales</b>	<b>Proceeds</b>
BNP Paribas	51	Treasury 4.5% 2013	635
ING Bank	48	JPM Sterling Liquidity 'X' (Income)^	500
Veeco	47	KFW 3.25% Convertible 2013	165
AXA	44	Apple	65
Johnson & Johnson	37	AXA	63
Solvay	36	ING Bank	56
HSBC	35	Rio Tinto	46
Bank of America	34	Newmont Mining	39
Anheuser-Busch InBev	34	BNP Paribas	38
Hartford Financial Services Group	33	Citigroup	34
Rio Tinto	32	Freeport-McMoRan Copper & Gold	32
Goldman Sachs Group	32	ICICI Bank ADR	32
Marks & Spencer	31	Cisco Systems	31
CVS Caremark	31	Veeco	31
Vivendi	30	Amazon	30
Verizon Communications	30	BASF	30
Oracle	30	SMC	30
General Motors	29	Goldman Sachs Group	28
Gree	29	Intel	27
PepsiCo	29	Vivendi	27

^ Deemed to be investment in related parties of the ACD

# Financial statements

## Statement of total return

(Unaudited)

For the six months ending 31 July

	£'000	2012 £'000	£'000	2011 £'000
Income				
Net capital (losses)/gains		(162)		13
Revenue	142		149	
Expenses	(75)		(90)	
Net revenue before taxation	67		59	
Taxation	(10)		(9)	
Net revenue after taxation		57		50
<b>Total return before distributions</b>		<b>(105)</b>		<b>63</b>
Finance costs: Distributions		(120)		(123)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(225)</b>		<b>(60)</b>

## Statement of change in net assets attributable to shareholders

(Unaudited)

For the six months ending 31 July

	£'000	2012 £'000	£'000	2011 £'000
<b>Opening net assets attributable to shareholders</b>		<b>10,065</b>		<b>11,327</b>
Amounts receivable on issue of shares	75		601	
Amounts payable on cancellation of shares	(1,551)		(536)	
		(1,476)		65
Change in net assets attributable to shareholders from investment activities (see above)		(225)		(60)
Retained distributions on accumulation shares		84		92
<b>Closing net assets attributable to shareholders</b>		<b>8,448</b>		<b>11,424</b>

As the comparatives in the above table are for the previous interim period, the net assets at the end of that period will not agree to the net assets at the start of the current period.

## Balance sheet

(Unaudited)

As at

	31 July 2012		31 January 2012	
	£'000	£'000	£'000	£'000
<b>ASSETS</b>				
Investment assets		7,557		9,341
Debtors	130		183	
Cash and bank balance	1,224		1,253	
<b>Total other assets</b>		<b>1,354</b>		<b>1,436</b>
<b>Total assets</b>		<b>8,911</b>		<b>10,777</b>
<b>LIABILITIES</b>				
Investment liabilities		(336)		(482)
Creditors	(113)		(220)	
Distribution payable on income shares	(14)		(10)	
<b>Total other liabilities</b>		<b>(127)</b>		<b>(230)</b>
<b>Total liabilities</b>		<b>(463)</b>		<b>(712)</b>
<b>Net assets attributable to shareholders</b>		<b>8,448</b>		<b>10,065</b>

# JPM Cautious Total Return Fund

## Investment objective and policy

To achieve over a medium-term horizon higher returns than those available from money market instruments denominated in Sterling by investing primarily in fixed income securities, Convertible Bonds, Equity securities and short-term securities of issuers located in any country.

Typically, the Fund will have a bias towards Bonds which may include High Yield Bonds. Investments in Emerging Markets and smaller companies may be held on an ancillary basis.

The Fund may invest up to 100% in cash and cash equivalents. Asset and country allocations may vary over time to reflect market conditions and opportunities. The Fund may invest up to 100% in government and public securities (see section 3.11(e) of the Prospectus). **The Fund may use Financial Derivative Instruments (derivatives) for investment purposes or Efficient Portfolio Management, including hedging, where appropriate.**

## Risk profile

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

Total return funds seek to provide a positive return but this is not guaranteed and they should not be used as a substitute for traditional liquidity funds or cash accounts. As the priority of these funds is to provide positive returns, they will not perform in line with stock markets.

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 High Yield Bonds which may also be subject to higher volatility and be more difficult to sell than Investment Grade Bonds.

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

Convertible Bonds are subject to the credit, interest rate and market risks associated with both Bonds and Equity securities, and to risks specific to Convertible Securities. Convertible Bonds may also be more difficult to sell than the underlying Equity securities.

The Fund may use Financial Derivative Instruments (derivatives) and/or forward transactions for investment purposes. The value of derivatives can be volatile. This is because a small movement in the value of the underlying asset can cause a large movement in the value of the derivative and therefore, investment in derivatives may result in losses in excess of the amount invested by the Fund.

The Fund's asset allocation is actively managed. There is a risk that the performance of the Fund will suffer if the allocation to any particular asset class is low when that asset class is outperforming or high when that asset class is underperforming.

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

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

## Fund review

The six-month review period was volatile for global markets, with risk assets performing strongly in the earlier part of the period, only to subsequently reverse amid weakening global macroeconomic data and worries related to the ongoing eurozone debt crisis. In this environment, the Fund produced a negative return and lagged its cash benchmark. While we entered the period with a relatively defensive stance, equity sensitivity (delta) was actively managed and moved towards the upper limit in March, before falling lower in May.

While stock selection and convertible bond exposure provided a small positive contribution to returns, our equity hedges provided the most significant contribution to negative returns, particularly in June and July as equity markets made positive gains. Our hedging positions did not sufficiently offset our long equity exposure in May, when equity markets experienced a significant decline.

Fixed income and currency positions also provided a negative contribution over the period. The sharp sell-off in US Treasuries in March detracted as we held positions in US five- and ten-year bonds. However, we have seen some diversification benefits from holding government debt, particularly from our exposure to Australian and US bonds in July.

## Fund outlook

Economic conditions have deteriorated globally, driven by a concerted downturn in manufacturing. This may be offset by growing signs of strength in the US domestic economy, though weakness persists elsewhere. Looking ahead, we expect to maintain a conservative stance in the portfolio and anticipate keeping medium levels of delta to capture the performance of our new, more diversified stock selection process, which was introduced in May this year. We are positioned with defensive equity and currency positions and remain positive on safe haven fixed income assets.

## 12 month performance to 31 July

	2012	2011	2010	2009	2008
<b>JPM Cautious Total Return</b>					
A-Class Acc	-6.6%	-0.5%	4.1%	0.5%	2.8%
<b>JPM Cautious Total Return</b>					
C-Class Inc	-6.1%	0.0%	4.6%	1.0%	-
<b>JPM Cautious Total Return</b>					
I-Class Acc	-6.0%	0.1%	4.7%	1.1%	3.5%
<b>JPM Cautious Total Return</b>					
X-Class Gross Acc	-5.2%	-	-	-	-
Benchmark Index	0.8%	0.6%	0.5%	2.6%	6.0%

## Six month performance to 31 July 2012

<b>JPM Cautious Total Return A-Class Acc</b>	-5.1%
Benchmark Index	0.4%

You should remember that past performance is not a guide to the future. The price of investments and the income from them may fall as well as rise and investors may not get back the full amount invested. For specific risks, including the risk and reward profile, please refer to the Key Investor Information Document (KIID).

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

## Fund statistics

Risk and Reward Profile	4
Fund size	£448.6m
Benchmark Index	BBA 1 month GBP LIBOR
Fund charges	
A-Class	Initial 4.25%, Annual 1.25%
C-Class	Initial Nil, Annual 0.65%
I-Class	Initial Nil, Annual 0.65%
X-Class	On application <sup>a</sup>

## Top ten holdings

	%
Australia 4% 2020	8.8
US Treasury 3% 2042	7.9
US Treasury 1.25% 2019	6.8
US Treasury 3.25% 2016	6.3
US Treasury 3% 2017	5.9
Siemens 1.65% Convertible 2019	5.4
JPM Global Strategic Bond 'X' GBP (Income) <sup>^</sup>	5.2
Treasury 2.5% Index-Linked 2013	4.8
International Bank 0.875% 2014	2.7
Barclays Bank FRN 2015	2.0

<sup>^</sup> Deemed to be investment in related parties of the ACD

## Sector breakdown

	%
Fixed interest securities	53.0
Equities	22.8
Convertible bonds	18.1
Options	0.5
Forward currency contracts	0.0
Futures	(0.9)
Net other assets	6.5

In line with current accounting practice the sector breakdown includes the unrealised profit or loss on derivative holdings and consequently the economic market exposure of the fund cannot be fully determined from the above disclosure.

## Highest/lowest share price and distribution record

Calendar year	Highest share price	Lowest share price	Distribution per share
<b>A-Class Accumulation Shares</b>			
2007	58.73p	54.62p	1.40p
2008	59.58p	52.88p	1.45p
2009	60.07p	54.70p	0.81p
2010	62.92p	58.68p	0.65p
2011	62.72p	58.73p	0.60p
2012 <sup>b</sup>	59.50p	55.59p	0.19p
<b>A-Class Income Shares</b>			
2007	55.71p	52.84p	1.33p
2008	55.91p	49.21p	1.37p
2009	54.75p	50.34p	0.74p
2010	56.74p	53.17p	0.59p
2011	56.28p	52.45p	0.54p
2012 <sup>b</sup>	53.08p	49.54p	0.17p
<b>C-Class Income Shares<sup>c</sup></b>			
2008	102.8p	90.73p	2.09p
2009	100.9p	92.76p	1.87p
2010	104.6p	98.01p	1.62p
2011	103.8p	96.68p	1.55p
2012 <sup>b</sup>	97.87p	91.30p	0.69p
<b>I-Class Accumulation Shares</b>			
2007	59.62p	55.15p	2.11p
2008	60.63p	53.94p	1.84p
2009	61.74p	55.94p	1.18p
2010	65.03p	60.48p	1.06p
2011	65.24p	61.15p	1.04p
2012 <sup>b</sup>	61.99p	58.04p	0.49p
<b>I-Class Gross Accumulation Shares<sup>d</sup></b>			
2007	108.3p	99.90p	2.85p
2008	110.4p	98.57p	4.19p
2009	113.5p	102.5p	2.77p
2010	120.0p	111.4p	2.38p
2011	120.8p	113.3p	2.38p
2012 <sup>b</sup>	114.9p	107.6p	1.10p
<b>I-Class Income Shares</b>			
2007	55.77p	53.39p	1.66p
2008	55.96p	49.26p	1.72p
2009	54.80p	50.37p	1.06p
2010	56.81p	53.20p	0.92p
2011	56.35p	52.49p	0.91p
2012 <sup>b</sup>	53.14p	49.58p	0.41p
<b>X-Class Gross Accumulation Shares<sup>e</sup></b>			
2010	100.3p	98.18p	-
2011	102.2p	95.93p	2.43p
2012 <sup>b</sup>	97.32p	91.42p	1.35p

<sup>b</sup> To 31 July 2012.

<sup>c</sup> C-Class Income Shares were launched on 26 February 2008.

<sup>d</sup> I-Class Gross Accumulation Shares were launched on 1 February 2007.

<sup>e</sup> X-Class Gross Accumulation Shares were launched on 15 November 2010.

## Portfolio turnover rate

31.01.12	268.4%
31.07.12	205.1%

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.

## Net asset values and Ongoing charges

Date	Net asset value per share class £'000	Number of shares	Net asset value per share	Ongoing charges
<b>A-Class Accumulation Shares</b>				
31.01.10	632,628	1,063,250,961	59.50p	1.42%
31.01.11	674,922	1,104,447,828	61.11p	1.43%
31.01.12	536,592	910,422,817	58.94p	1.43%
31.07.12	398,881	713,818,226	55.88p	1.43%
<b>A-Class Income Shares</b>				
31.01.10	59,455	109,909,238	54.09p	1.43%
31.01.11	58,610	106,559,667	55.00p	1.43%
31.01.12	40,526	77,128,022	52.54p	1.43%
31.07.12	30,574	61,472,648	49.74p	1.43%
<b>C-Class Income Shares</b>				
31.01.10	1,931	1,938,109	99.62p	0.77%
31.01.11	1,606	1,585,261	101.3p	0.77%
31.01.12	736	760,100	96.78p	0.77%
31.07.12	138	150,782	91.61p	0.77%
<b>I-Class Accumulation Shares</b>				
31.01.10	13,781	22,522,053	61.19p	0.65%
31.01.11	7,802	12,332,439	63.26p	0.65%
31.01.12	7,001	11,403,903	61.40p	0.65%
31.07.12	5,391	9,232,264	58.40p	0.65%
<b>I-Class Gross Accumulation Shares</b>				
31.01.10	22,797	20,253,443	112.6p	0.65%
31.01.11	12,815	10,972,505	116.8p	0.65%
31.01.12	6,545	5,751,006	113.8p	0.65%
31.07.12	5,993	5,530,827	108.4p	0.65%
<b>I-Class Income Shares</b>				
31.01.10	5,831	10,780,377	54.09p	0.65%
31.01.11	4,557	8,284,282	55.00p	0.65%
31.01.12	2,673	5,087,624	52.54p	0.65%
31.07.12	1,708	3,433,688	49.73p	0.65%
<b>X-Class Gross Accumulation Shares</b>				
31.01.11	7,927	8,060,623	98.34p	0.06%
31.01.12	6,172	6,403,096	96.39p	0.06%
31.07.12	5,894	6,403,096	92.05p	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 and any fixed 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 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 31 July 2012

Investment	Holding	Market value £'000	Total net assets %	Investment	Holding	Market value £'000	Total net assets %
<b>Fixed interest securities - 53.0% (34.4%)</b>				<b>United Kingdom - 3.5%</b>			
<b>US Dollar - 28.0%</b>				Berkeley Group	82,756	1,138	0.3
Hutchison Whampoa 6% Perpetual	\$7,400,000	4,877	1.1	BP	304,448	1,294	0.3
US Treasury 3.25% 2016	\$40,000,000	28,317	6.3	British American Tobacco	25,732	880	0.2
US Treasury 3% 2017	\$37,200,000	26,328	5.9	BT Group	225,183	492	0.1
US Treasury 1.25% 2019	\$47,000,000	30,557	6.8	Diageo	29,258	506	0.1
US Treasury 3% 2042	\$51,000,000	35,345	7.9	GlaxoSmithKline	74,973	1,095	0.2
<b>Sterling - 16.1%</b>				HSBC	123,282	659	0.1
Abbey National Treasury Services				Imperial Tobacco Group	64,982	1,608	0.4
FRN 2015	£6,000,000	6,024	1.3	Legal & General Group	268,340	345	0.1
Barclays Bank FRN 2015	£9,000,000	9,145	2.0	National Grid	73,648	489	0.1
Deutsche Telekom International Finance				Pearson	35,720	426	0.1
7.125% 2012	£300,000	302	0.1	Persimmon	78,896	486	0.1
International Bank 0.875% 2014	£12,000,000	12,137	2.7	Prudential	78,364	607	0.1
JPM Global Strategic Bond 'X' GBP				Royal Dutch Shell 'A'	98,639	2,158	0.5
(Income)^	355,465	23,379	5.2	SABMiller	20,703	571	0.1
Treasury 2.5% Index-Linked 2013	£7,650,000	21,456	4.8	Standard Chartered	49,155	727	0.2
<b>Australian Dollar - 8.8%</b>				Vodafone Group	722,817	1,330	0.3
Australia 4% 2020	AUD 30,200,000	39,427	8.8	Weir Group	23,128	381	0.1
<b>Euro - 0.1%</b>				William Hill	213,576	673	0.1
Sanofi 3.5% 2013	€ 660,000	529	0.1	<b>Japan - 2.3%</b>			
<b>Equities - 22.8% (35.9%)</b>				Anritsu	176,000	1,396	0.3
<b>United States of America - 11.1%</b>				Bridgestone	34,700	503	0.1
Agco	17,948	507	0.1	Honda Motor	35,600	740	0.2
Altria Group	52,539	1,211	0.3	Japan Tobacco	81,600	1,639	0.4
American Express	42,149	1,566	0.3	Mitsubishi UFJ Financial Group	422,800	1,307	0.3
AmerisourceBergen	35,147	863	0.2	Mizuho Financial Group	719,600	757	0.2
Amgen	22,157	1,179	0.3	Nissan Motor	121,600	737	0.2
Apple	4,806	1,823	0.4	Sumitomo Mitsui Financial Group	58,800	1,192	0.3
Ares Capital	53,408	568	0.1	Toyota Motor	30,100	739	0.2
AT&T	61,980	1,479	0.3	West Japan Railway	23,600	648	0.1
Berkshire Hathway 'B'	7,602	413	0.1	<b>Switzerland - 1.5%</b>			
Capital One Financial	21,625	784	0.2	Compagnie Financiere Richemont 'A'	6,739	248	0.1
CBS 'B'	61,556	1,316	0.3	Nestle	30,270	1,182	0.3
CF Industries	6,495	818	0.2	Novartis	19,105	713	0.2
Chevron	20,229	1,417	0.3	Roche (Genusscheine)	13,116	1,482	0.3
Comcast 'A'	52,664	1,081	0.2	Swiss Re	20,877	835	0.2
Deere & Co	6,118	302	0.1	Syngenta	1,431	312	0.1
DTE Energy	37,432	1,472	0.3	Tyco International	19,952	684	0.2
Du Pont de Nemours	11,572	366	0.1	Zurich Financial Services	3,723	531	0.1
eBay	44,874	1,304	0.3	<b>Germany - 1.2%</b>			
EMC	16,866	283	0.1	Allianz	6,127	392	0.1
Estee Lauder 'A'	9,637	331	0.1	BASF	12,716	601	0.1
ExxonMobil	13,189	736	0.2	Bayer	29,224	1,435	0.3
Fifth Third Bancorp	64,214	574	0.1	BMW	5,442	260	0.1
Flowserve	8,506	628	0.1	Deutsche Wohnen	48,623	524	0.1
Google 'A'	4,758	1,918	0.4	GSW Immobilien	14,974	351	0.1
Hollyfrontier	43,355	1,019	0.2	MunichRe	6,099	556	0.1
IBM	14,028	1,759	0.4	SAP	31,291	1,277	0.3
Intel	30,610	503	0.1	Volkswagen Non-Voting Preference	1,793	197	-
Johnson & Johnson	30,027	1,329	0.3	<b>Netherlands - 0.6%</b>			
Lilly (Eli) & Co	32,845	922	0.2	Gemalto	26,725	1,292	0.3
Merck & Co	59,967	1,701	0.4	Nutreco Holding	32,637	1,493	0.3
Microsoft	80,768	1,526	0.3	<b>France - 0.6%</b>			
Mylan Laboratories	72,001	1,072	0.2	L'Oreal	14,005	1,076	0.2
National Oilwell Varco	12,988	613	0.1	LVMH	3,418	335	0.1
Norfolk Southern	23,271	1,100	0.2	Sanofi	25,588	1,337	0.3
Occidental Petroleum	4,182	238	0.1	<b>Australia - 0.5%</b>			
Pfizer	201,502	3,045	0.7	Australia & New Zealand Bank Group	12,064	190	-
Philip Morris International	19,010	1,105	0.2	Commonwealth Bank of Australia	5,070	195	-
PPG Industries	4,786	339	0.1	GrainCorp	141,737	869	0.2
Qualcomm	7,677	289	0.1	National Australia Bank	16,764	280	0.1
Reynolds American	16,861	500	0.1	Telstra Corporation	210,672	565	0.1
Smithfield Foods	16,698	197	-	Westpac Banking	14,508	226	0.1
The Mosaic Company	17,634	656	0.1	<b>New Zealand - 0.3%</b>			
Time Warner Cable	16,921	917	0.2	Telecom Corporation of New Zealand	1,170,628	1,596	0.3
Tyson Foods 'A'	17,439	166	-	<b>Israel - 0.2%</b>			
Union Pacific	9,205	723	0.2	Teva Pharmaceutical Industries	29,195	770	0.2
UnitedHealth Group	11,768	400	0.1	<b>Norway - 0.2%</b>			
Verizon Communications	44,345	1,270	0.3	Statoil	16,058	246	0.1
Visa 'A'	12,623	1,053	0.2	Telenor	43,859	476	0.1
Wal-Mart Stores	43,485	2,078	0.5	<b>Denmark - 0.2%</b>			
Watson Pharmaceuticals	20,037	1,006	0.2	Carlsberg 'B'	7,707	404	0.1
Wells Fargo	85,895	1,859	0.4	Novo-Nordisk 'B'	2,289	225	0.1
Yum Brands	10,097	427	0.1				

# Portfolio statement – continued

As at 31 July 2012

Investment	Holding	Market value £'000	Total net assets %
<b>Singapore – 0.1%</b>			
Singapore Telecommunications	338,000	619	0.1
<b>Italy – 0.1%</b>			
ENI	38,952	522	0.1
<b>Sweden – 0.1%</b>			
Swedish Match	18,889	505	0.1
<b>Canada – 0.1%</b>			
Potash Corporation of Saskatchewan	15,838	452	0.1
<b>Ireland – 0.1%</b>			
Accenture 'A'	10,648	410	0.1
<b>Belgium – 0.1%</b>			
Anheuser-Busch InBev	6,873	342	0.1
<b>Convertible bonds – 18.1% (5.3%)</b>			
<b>US Dollar – 11.0%</b>			
Ares Capital 5.125% Convertible 2016	\$3,500,000	2,265	0.5
Hon Hai Precision 0% Convertible 2013	\$5,500,000	3,452	0.8
Liberty Media FRN Convertible 2023	\$2,997,000	2,362	0.5
Microsoft 0% Convertible 2013	\$10,240,000	6,830	1.5
QBE Funding Trust V 0% Convertible 2030	\$11,500,000	4,679	1.0
Sandisk 1.5% Convertible 2017	\$3,490,000	2,467	0.5
Shangri-La Finance 0% Convertible 2016	\$6,000,000	3,684	0.8
Siemens 1.65% Convertible 2019	\$39,250,000	24,451	5.4
<b>Euro – 4.5%</b>			
Aabar Investments 4% Convertible 2016	€4,500,000	3,503	0.8
Air France-KLM 4.97% Convertible 2015	€40,500,000	3,552	0.8
AXA 2.5% Convertible 2014	€1,710,800	3,048	0.7
AXA 3.75% Convertible 2017	€436,000	857	0.2
KFW 3.25% Convertible 2013	€6,000,000	4,832	1.1
Solidium 0.5% Convertible 2015	€4,900,000	3,930	0.9
<b>Singapore Dollar – 1.7%</b>			
CapitalLand 2.875% Convertible 2016	SGD 7,750,000	3,935	0.9
Temasek Financial 0% Convertible 2014	SGD 7,000,000	3,741	0.8
<b>Hong Kong Dollar – 0.9%</b>			
Wharf Finance 2.3% Convertible 2014	HKD 48,000,000	3,924	0.9
<b>Options – 0.5% (1.3%)</b>			
Foreign Exchange Call Options CNY/USD 6.50 May 2013	(\$198,000,000)	(591)	(0.1)
Foreign Exchange Call Options CNY/USD 6.80 May 2013	\$198,000,000	247	0.1
Foreign Exchange Call Options CNY/USD 6.50 May 2013	CNY 198,000,000	591	0.1
Foreign Exchange Call Options CNY/USD 6.50 May 2013	CNY 79,200,000	237	0.1
S&P500 Call Options 1400 Sep 2012	1,021	1,536	0.3
VIX Index Call Options 50 Oct 2012	7,084	158	-
<b>Forward currency contracts – 0.0% (1.0%)</b>			
<b>Australian Dollar</b>			
Buy AUD 1,263,000 sell £827,997 dated 23/08/12		18	-
Sell AUD 68,320,896 buy £44,946,816 dated 23/08/12		(802)	(0.2)
<b>Euro</b>			
Sell €38,971,387 buy £30,587,551 dated 23/08/12		62	-
Sell €42,975,211 buy ¥4,085,394,203 dated 23/08/12		(344)	(0.1)
<b>Hong Kong Dollar</b>			
Sell HKD 53,997,644 buy £4,463,010 dated 23/08/12		23	-
<b>Japanese Yen</b>			
Sell ¥1,232,746,103 buy £10,011,988 dated 23/08/12		(41)	-
<b>Norwegian Krone</b>			
Buy NOK 4,407,600 sell £461,398 dated 23/08/12		3	-
<b>Singapore Dollar</b>			
Sell SGD 13,159,576 buy £6,704,497 dated 23/08/12		(41)	-
<b>Swiss Franc</b>			
Sell CHF 5,024,855 buy £3,282,696 dated 23/08/12		6	-
Sell CHF 2,914,254 buy £1,898,883 dated 23/08/12		(1)	-
<b>US Dollar</b>			
Buy \$7,541,000 sell £4,803,925 dated 23/08/12		4	-
Buy \$14,000,000 sell £9,023,488 dated 23/08/12		(98)	-
Sell \$338,873,987 buy £217,322,445 dated 23/08/12		1,266	0.3
Sell \$3,898,000 buy £2,480,186 dated 23/08/12		(5)	-

Investment	Holding	Market value £'000	Total net assets %
<b>Futures – (0.9)% ((2.2)%)</b>			
Australia 3 Year Bond Futures Sep 2012	(774)	540	0.1
Australia 10 Year Bond Futures Sep 2012	359	(178)	-
DAX Index Futures Sep 2012	(362)	(2,895)	(0.6)
Euro Bobl Futures Sep 2012	772	(215)	-
HSCEI Put Futures 8800 Aug 2012	1,114	(415)	(0.1)
NIKKEI 225 Futures Sep 2012	273	(203)	-
Russell 2000 Mini Futures Mar 2012	(771)	(1,201)	(0.3)
US 2 Year Note Futures Sep 2012	(554)	(74)	-
<b>Investment assets (including investment liabilities)</b>		<b>419,201</b>	<b>93.5</b>
<b>Net other assets</b>		<b>29,378</b>	<b>6.5</b>
<b>Net assets</b>		<b>448,579</b>	<b>100.0</b>

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

The comparative percentage figures in brackets are at 31 January 2012.

\*Deemed to be investment in related parties of the ACD

	Market value £'000
<b>Portfolio credit ratings</b>	
AAA	213,568
AA+	6,830
A+	24,451
A	5,208
A-	3,452
BBB+	4,207
BBB	7,142
BB	2,467
B-	2,362
Unrated	49,648
<b>Total bonds</b>	<b>319,335</b>
Equities	102,279
Options	2,178
Forward currency contracts	50
Futures	(4,641)
<b>Investment assets (including investment liabilities)</b>	<b>419,201</b>

## Portfolio movements

For the six months ending 31 July 2012

	£'000		£'000
<b>Total of all purchases for the period</b>	<b>495,801</b>	<b>Total of all sales for the period</b>	<b>530,670</b>
<b>Major purchases</b>	<b>Cost</b>	<b>Major sales</b>	<b>Proceeds</b>
US Treasury 3% 2042	46,578	Treasury 2.5% Index-Linked 2013	74,098
US Treasury 1.25% 2019	30,125	US Treasury 2.125% 2041	30,791
US Treasury 2.125% 2041	28,761	Source Physical Markets Secured Gold	26,667
Source Physical Markets Secured Gold	28,555	Germany 0.75% 2017	22,752
Siemens 1.65% Convertible 2019	28,172	Sumitomo Mitsui Financial Group	11,659
JPM Global Strategic Bond 'X' GBP (Income)^	23,355	Mitsubishi UFJ Financial Group	11,260
Germany 0.75% 2017	23,129	US Treasury 3% 2042	11,144
Australia 4% 2020	18,660	Imperial Tobacco Group	10,753
Microsoft 0% Convertible 2013	16,933	European Investment Bank 6% 2013	10,710
Treasury 2.5% Index-Linked 2013	16,734	Japan Tobacco	10,344
International Bank 0.875% 2014	11,999	Microsoft 0% Convertible 2013	9,804
Mitsubishi UFJ Financial Group	6,392	Barrick Gold	9,726
Sumitomo Mitsui Financial Group	6,372	Newmont Mining	9,399
TNT Express	6,039	National Grid	9,079
Abbey National Treasury Services FRN 2015	5,991	Royal Dutch Shell 'A'	8,991
Amgen 0.375% Convertible 2013	5,875	Nikkei Call Options 9000 Mar 2012	8,627
CF Industries	5,302	BG Group	8,566
Imperial Tobacco Group	5,298	Liberty Media FRN Convertible 2023	8,204
KFW 3.25% Convertible 2013	4,886	EMC	8,094
Nissan Motor	4,750	Vodafone Group	7,484

^ Deemed to be investment in related parties of the ACD

# Financial statements

## Statement of total return

(Unaudited)

For the six months ending 31 July

	2012	2011
	£'000	£'000
Income		
Net capital losses	(29,823)	(18,139)
Revenue	4,969	10,611
Expenses	(3,656)	(4,967)
Net revenue before taxation	1,313	5,644
Taxation	(164)	(367)
Net revenue after taxation	1,149	5,277
<b>Total return before distributions</b>	<b>(28,674)</b>	<b>(12,862)</b>
Finance costs: Distributions	(1,222)	(5,254)
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>(29,896)</b>	<b>(18,116)</b>

## Statement of change in net assets attributable to shareholders

(Unaudited)

For the six months ending 31 July

	2012	2011
	£'000	£'000
<b>Opening net assets attributable to shareholders</b>	<b>600,245</b>	<b>768,239</b>
Amounts receivable on issue of shares	1,199	5,385
Amounts payable on cancellation of shares	(123,903)	(100,916)
	(122,704)	(95,531)
Change in net assets attributable to shareholders from investment activities (see above)	(29,896)	(18,116)
Retained distributions on accumulation shares	867	3,759
Stamp duty reserve tax	67	(29)
<b>Closing net assets attributable to shareholders</b>	<b>448,579</b>	<b>658,322</b>

As the comparatives in the above table are for the previous interim period, the net assets at the end of that period will not agree to the net assets at the start of the current period.

## Balance sheet

(Unaudited)

As at

	31 July 2012	31 January 2012
	£'000	£'000
<b>ASSETS</b>		
Investment assets	426,305	479,151
Debtors	2,305	5,501
Cash and bank balances	36,096	148,884
<b>Total other assets</b>	<b>38,401</b>	<b>154,385</b>
<b>Total assets</b>	<b>464,706</b>	<b>633,536</b>
<b>LIABILITIES</b>		
Investment liabilities	(7,104)	(24,716)
Creditors	(8,981)	(8,495)
Distribution payable on income shares	(42)	(80)
<b>Total other liabilities</b>	<b>(9,023)</b>	<b>(8,575)</b>
<b>Total liabilities</b>	<b>(16,127)</b>	<b>(33,291)</b>
<b>Net assets attributable to shareholders</b>	<b>448,579</b>	<b>600,245</b>

# JPM Diversified Real Return Fund

## Investment objective and policy

The Fund aims to provide an investment return in excess of the Retail Prices Index over the long term.

The Fund will primarily invest in Debt Securities (which may include Below-Investment Grade Bonds and Unrated securities), Index-Linked Debt Securities, Convertible Bonds, Equity and Equity-Linked Securities (which may include smaller companies), Real Estate Investment Trusts ("REITs"), Commodity Index Instruments and collective investment schemes as the Investment Adviser deems appropriate.

Issuers of securities may be located in any country, including Emerging Markets and the Fund may invest in assets denominated in any currency. The Fund may invest up to 70% in government and public securities (see section 3.11(e) of the Prospectus). The Fund's Debt Securities, Index-Linked Debt Securities and Commodity Index Instruments will typically be either denominated in Sterling or hedged back to Sterling, however, the remainder of the Fund's non-Sterling denominated assets will not normally be hedged back to Sterling. **The Fund may use Financial Derivative Instruments (derivatives) and forward transactions for investment purposes and Efficient Portfolio Management, including hedging, where appropriate.** As a result of the use of Financial Derivative Instruments the net exposure of the Fund will typically be in a range of 130% to 200% of the Net Asset Value of the Fund.

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

## Risk profile

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

The Fund aims to provide a return over the long term in excess of the Retail Prices Index. However, you should note that the Fund does not offer any form of guarantee with respect to the investment objective, and no form of capital protection will apply. The Fund should not be used as a substitute for liquidity funds or cash accounts.

The value of Bonds and other Debt Securities may change significantly depending on economic and interest rate conditions as well as the general credit market environment and 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 securities.

Bonds and other Debt Securities with a lower credit rating may have a higher risk of defaulting which may in turn have an adverse effect on the performance of Funds which invest in them.

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

The Fund may use Financial Derivative Instruments (derivatives) and/or forward transactions for investment purposes. The value of derivatives can be volatile. This is because a small movement in the value of the underlying asset can cause a large movement in the value of the derivative and therefore, investment in derivatives may result in losses in excess of the amount invested by the Fund.

As a result of the use of Financial Derivative Instruments, the Fund's net exposure will typically be in a range of 130% to 200% of the Net Asset Value of the Fund, potentially increasing the volatility and therefore risk of the Fund. In a rising market, this may enhance investment returns but if a market falls, losses may be greater.

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 lower liquidity than non-Emerging Market securities.

To the extent that any underlying assets of the Fund are denominated in a currency other than Sterling and are not hedged back to Sterling, movements in currency exchange rates can adversely affect the return of your investment. The currency hedging that may be used to minimise the effect of currency fluctuations may not always be successful.

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

The Fund's asset allocation is actively managed. There is a risk that the performance of the Fund will suffer if the allocation to any particular asset class is low when that asset class is outperforming or high when that asset class is underperforming.

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

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

## Fund review

The six-month period to 31 July 2012 was volatile for global markets. Risk assets performed strongly in the earlier part of the period, only to subsequently reverse, with weakening global macroeconomic data and eurozone contagion fears weighing on sentiment. With the reduction in both UK and global growth, inflationary expectations subsided and edged towards disinflationary concerns.

The Fund was launched in early May. Our allocation to inflation-sensitive fixed income, REITs and commodities delivered positive total returns, while our inflation-sensitive equities delivered negative total returns. The equities were impacted by global macro data and the eurozone crisis. Given the limited timeframe since the Fund launch, positioning is in line with our strategic asset allocation.

## Fund outlook

Monetary policy has gone quiet, with main central banks all pausing at their August meetings, though we believe more easing is likely. Economic conditions have deteriorated globally, driven by a downturn in manufacturing. This may be offset by growing signs of strength in the US domestic economy, though weakness remains elsewhere. Earnings momentum remains soft, though slightly better than expected. There are still doubts about global earnings growth for 2013. With the focus on deteriorating global growth, inflationary pressures and expectations are receding.

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).

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

## Performance to 31 July

Since launch 01/05/12

<b>JPM Diversified Real Return A-Class Acc</b>	<b>0.5%</b>
Benchmark Index	0.6%

## Fund statistics

Risk and Reward Profile	<b>4</b>
Fund size	<b>£12.4m</b>
Benchmark Index	<b>Barclays Inflation-Linked UK Government 1-10 Year Index</b>
Fund charges	<b>Initial 4.25%, Annual 1.50%</b>

## Top ten holdings (excluding Liquidity funds) %

JPM Global Infrastructure Trends 'X' GBP (Income)^	3.0
Treasury 2.5% Index-Linked 2016	2.0
JPM Emerging Markets Infrastructure Equity 'X' GBP (Income)^	1.9
Treasury 2.5% Index-Linked 2020	1.8
Treasury 1.25% Index-Linked 2027	1.8
Treasury 1.875% Index-Linked 2022	1.8
Treasury 2.5% Index-Linked 2024	1.7
Treasury 2.5% Index-Linked 2013	1.6
Treasury 1.25% Index-Linked 2032	1.4
Treasury 1.75% Index-Linked 2055	1.4

^ Deemed to be investment in related parties of the ACD

## Sector breakdown %

Corporate bonds	40.0
Government bonds	25.3
Equities	23.4
Liquidity funds	4.0
Forward currency contracts	0.2
Swaps	(0.2)
Net other assets	7.3

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)
<b>A-Class Accumulation Shares<sup>A</sup></b>			
2012 <sup>B</sup>	50.32p	48.69p	0.08p
<b>A-Class Income Shares<sup>A</sup></b>			
2012 <sup>B</sup>	50.32p	48.69p	0.08p

<sup>A</sup> A-Class Accumulation and A-Class Income Shares were launched on 1 May 2012.  
<sup>B</sup> To 31 July 2012.

## Portfolio turnover rate

31.07.12	13.7%
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The portfolio turnover rate (PTR) reflects the total of security purchases and sales (excluding Liquidity funds), less the total of share issues and cancellations, expressed as a percentage of the average daily net asset values over the period.

## Net asset values and Ongoing charges

Date	Net asset value per share class £'000	Number of shares	Net asset value per share	Ongoing charges
<b>A-Class Accumulation Shares</b>				
31.07.12	6,183	12,360,000	50.02p	1.43%
<b>A-Class Income Shares</b>				
31.07.12	6,173	12,360,012	49.94p	1.43%

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 and any fixed 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 custodian handling charges in the Ongoing charges figure.

# Portfolio statement

As at 31 July 2012

Investment	Holding	Market value £'000	Total net assets %	Investment	Holding	Market value £'000	Total net assets %
<b>Corporate bonds - 40.0%</b>							
<b>US Dollar - 24.2%</b>							
Abbott Laboratories 5.3% 2040	\$35,000	30	0.2	Ventas Realty 4.25% 2022	\$30,000	20	0.2
Altria Group 9.95% 2038	\$30,000	32	0.3	Verizon Communications 7.35% 2039	\$40,000	39	0.3
America Movil 5.625% 2017	\$75,000	57	0.5	Virginia Electric & Power 2.95% 2022	\$40,000	27	0.2
American Express Credit 5.125% 2014	\$80,000	56	0.5	Wal-Mart Stores 6.2% 2038	\$45,000	42	0.3
American International 6.4% 2020	\$80,000	60	0.5	Waste Management 2.6% 2016	\$45,000	30	0.2
Amerisourcebergen 3.5% 2021	\$15,000	10	0.1	Wellpoint 5.8% 2040	\$20,000	15	0.1
Anadarko Petroleum 6.375% 2017	\$75,000	57	0.5	Wells Fargo FRN 2016	\$165,000	114	0.9
Anheuser-Busch Inbev Worldwide 5.375% 2020	\$40,000	31	0.3	Xcel Energy 4.7% 2020	\$50,000	37	0.3
Anheuser Busch InBev 3.75% 2042	\$15,000	10	0.1	Xerox 4.5% 2021	\$50,000	33	0.3
Apache 3.625% 2021	\$40,000	28	0.2	<b>Euro - 11.3%</b>			
AT&T 2.95% 2016	\$45,000	31	0.3	ABN Amro Bank 3.625% 2017	€50,000	42	0.3
AT&T 6.3% 2038	\$55,000	46	0.4	Arkema 4% 2017	€50,000	42	0.3
Bank of America 6.5% 2016	\$100,000	72	0.6	Atlantia 5.625% 2016	€50,000	41	0.3
Bank of America 5.875% 2042	\$30,000	22	0.2	Autoroutes Paris 7.5% 2015	€50,000	45	0.4
Bank of Nova Scotia 1.85% 2015	\$50,000	33	0.3	BHP Billiton Financial 6.375% 2016	€50,000	47	0.4
Barrick North America Finance 5.875% 2022	\$35,000	24	0.2	Casino Guichard-Perrachon 4.481% 2018	€50,000	43	0.4
Berkshire Hathaway 5.75% 2040	\$15,000	12	0.1	Commonwealth Bank of Australia 4.375% 2020	€50,000	45	0.4
Boston Properties 3.85% 2023	\$20,000	13	0.1	Daimler 2% 2017	€25,000	20	0.2
British Telecommunications 9.875% FRN 2030	\$15,000	15	0.1	Deutsche Telekom International Finance 4.75% 2016	€75,000	66	0.5
Burlington Northern Santa 5.65% 2017	\$65,000	49	0.4	DNB 3.875% 2020	€50,000	43	0.4
Canadian Bank 2.35% 2015	\$50,000	33	0.3	E.ON International Finance 5.5% 2016	€50,000	45	0.4
Canadian Natural Resources 5.7% 2017	\$45,000	34	0.3	GDF Suez 2.625% 2022	€15,000	12	0.1
Capital One Financial 3.15% 2016	\$70,000	47	0.4	Goldman Sachs Group 5.125% 2019	€50,000	42	0.3
Caterpillar 5.2% 2041	\$15,000	13	0.1	HSBC 3.75% 2016	€75,000	65	0.5
Cigna 5.375% 2042	\$15,000	11	0.1	Hutchison Whampoa 4.75% 2016	€50,000	44	0.4
Cisco Systems 5.5% 2040	\$25,000	21	0.2	Imperial Tobacco Finance 7.25% 2014	€90,000	79	0.6
Citigroup 5.5% 2014	\$185,000	126	1.0	John Deere Capital 7.5% 2014	€50,000	43	0.4
Citigroup 8.5% 2019	\$35,000	28	0.2	Lloyds Banking Group 6.375% 2016	€50,000	44	0.4
Citigroup 5.875% 2037	\$25,000	18	0.1	Merck Financial 4.5% 2020	€25,000	23	0.2
Comcast 6.55% 2039	\$43,000	37	0.3	National Australia Bank 3.5% 2015	€90,000	75	0.6
Conocophillips 6.5% 2039	\$30,000	28	0.2	National Grid Electricity 6.625% 2014	€50,000	42	0.3
Consolidated Edison 4.45% 2020	\$40,000	30	0.2	Nationwide Building Society 3.75% 2015	€95,000	78	0.6
Credit Suisse New York 5.3% 2019	\$100,000	74	0.6	PPR 3.75% 2015	€30,000	25	0.2
CVS Caremark 5.75% 2041	\$25,000	20	0.2	Rabobank 3% 2015	€40,000	33	0.3
Directive Financing 3.8% 2022	\$32,000	21	0.2	RCI Banque 4.375% 2015	€25,000	20	0.2
DTE Energy 6.375% 2033	\$30,000	26	0.2	Royal Bank of Scotland Placing 4.75% 2016	€100,000	84	0.7
Energy Transfer Partners 6.5% 2042	\$25,000	18	0.1	Schlumberger Finance 2.75% 2015	€50,000	42	0.3
Enterprise Products 6.125% 2039	\$50,000	38	0.3	SES Global America 4.875% 2014	€50,000	42	0.3
Express Scripts 3.125% 2016	\$75,000	51	0.4	Skandinaviska Enskilda Banken 2.5% 2015	€50,000	40	0.3
France Telecom 4.125% 2021	\$35,000	24	0.2	Veolia Environnement 4% 2016	€30,000	26	0.2
General Electric Capital 5.9% 2014	\$95,000	66	0.5	Volvo Treasury 5% 2017	€50,000	44	0.4
General Electric Capital 5.875% 2038	\$85,000	66	0.5	<b>Sterling - 4.5%</b>			
GlaxoSmithKline Capital 5.65% 2018	\$30,000	23	0.2	BAA Funding 6.75% 2028	£50,000	65	0.5
Goldman Sachs Group 6.25% 2041	\$25,000	17	0.1	Barclays Bank 5.75% 2021	£50,000	57	0.5
HCP 5.375% 2021	\$45,000	33	0.3	BAT International Finance 6.375% 2019	£30,000	38	0.3
Hewlett Packard 6% 2041	\$25,000	18	0.1	Carlsberg 7.25% FRN 2016	£50,000	60	0.5
International Paper 6% 2041	\$20,000	15	0.1	Compagnie de Saint-Gobain 5.625% 2016	£50,000	56	0.5
Kinder Morgan Energy Partners 6.375% 2041	\$20,000	16	0.1	France Telecom 8% 2017	£40,000	51	0.4
Kraft Foods 5.375% 2020	\$80,000	61	0.5	National Express Group 6.25% 2017	£50,000	54	0.4
Lowe's 4.65% 2042	\$20,000	15	0.1	Standard Chartered 6.5% 2014	£50,000	54	0.4
Marathon Petroleum 6.5% 2041	\$8,000	6	0.1	Vodafone Group 5.375% 2017	£50,000	58	0.5
MetLife 6.75% 2016	\$125,000	94	0.8	Xstrata Finance Canada 7.375% 2020	£50,000	62	0.5
Morgan Stanley 5.625% 2019	\$100,000	65	0.5	<b>Government bonds - 25.3%</b>			
Nevada Power 5.375% 2040	\$25,000	20	0.2	Treasury 2.5% Index-Linked 2013	£69,549	195	1.6
News America 6.15% 2037	\$25,000	19	0.2	Treasury 2.5% Index-Linked 2016	£72,857	250	2.0
NiSource Finance 6.8% 2019	\$45,000	35	0.3	Treasury 1.25% Index-Linked 2017	£109,236	157	1.3
NiSource Finance 5.8% 2042	\$15,000	11	0.1	Treasury 2.5% Index-Linked 2020	£60,102	222	1.8
Pfizer 7.2% 2039	\$30,000	31	0.3	Treasury 1.875% Index-Linked 2022	£144,256	217	1.8
Plains All American Pipeline 5.75% 2020	\$35,000	27	0.2	Treasury 2.5% Index-Linked 2024	£62,311	208	1.7
Principal Financial Group 8.875% 2019	\$40,000	34	0.3	Treasury 1.25% Index-Linked 2027	£141,997	218	1.8
Procter & Gamble 4.7% 2019	\$40,000	30	0.2	Treasury 0.125% Index-Linked 2029	£55,601	59	0.5
Prudential Financial 7.375% 2019	\$85,000	67	0.5	Treasury 4.125% Index-Linked 2030	£47,525	150	1.2
Rabobank 3.375% 2017	\$100,000	67	0.5	Treasury 1.25% Index-Linked 2032	£126,974	179	1.4
Rio Tinto 2.25% 2016	\$50,000	33	0.3	Treasury 0.75% Index-Linked 2034	£77,570	93	0.8
Rogers Communications 6.8% 2018	\$20,000	16	0.1	Treasury 2% Index-Linked 2035	£88,880	177	1.4
Shell International Finance 4% 2014	\$35,000	24	0.2	Treasury 1.125% Index-Linked 2037	£117,246	179	1.4
Southern Power Companies 5.15% 2041	\$25,000	19	0.2	Treasury 0.625% Index-Linked 2040	£104,732	135	1.1
Suncor Energy 6.5% 2038	\$30,000	25	0.2	Treasury 0.625% Index-Linked 2042	£102,146	136	1.1
Target 4% 2042	\$25,000	17	0.1	Treasury 0.75% Index-Linked 2047	£90,881	130	1.1
Time Warner 4.125% 2021	\$82,000	57	0.5	Treasury 0.5% Index-Linked 2050	£94,996	123	1.0
Time Warner 6.2% 2040	\$35,000	28	0.2	Treasury 1.75% Index-Linked 2055	£95,289	179	1.4
TOTAL S.A Capital 4.125% 2021	\$40,000	29	0.2	Treasury 0.375% Index-Linked 2062	£99,199	115	0.9
UBS (Stamford) 5.875% 2017	\$100,000	74	0.6				
United Health Group 5.7% 2040	\$25,000	20	0.2				
United Technologies 4.5% 2042	\$15,000	11	0.1				
Vale Overseas 5.625% 2019	\$50,000	36	0.3				

# Portfolio statement – continued

As at 31 July 2012

Investment	Holding	Market value £'000	Total net assets %	Investment	Holding	Market value £'000	Total net assets %
<b>Equities – 23.4%</b>				<b>United States of America – 6.7%</b>			
Alexandria Real Estate	600	28	0.2	Petrominerales	400	2	-
American Campus Communities	300	9	0.1	Regulus Resources	3,500	1	-
Anadarko Petroleum	800	37	0.3	Rio Novo Gold	4,800	1	-
Boston Properties	400	28	0.2	Romarco Minerals	5,500	2	-
Camden Property Trust	500	23	0.2	Sarama Resources	4,200	1	-
Cobalt International Energy	200	3	-	SEMAFO	2,000	4	-
Concho Resources	400	22	0.2	Silver Wheaton	300	5	-
DDR	2,700	26	0.2	Silvercrest Mines	1,900	2	-
Digital Realty Trust	100	5	-	Spartan Oil	3,300	8	0.1
Energy XXI (Bermuda)	200	4	-	Teck Resources 'B'	900	17	0.1
Equity Residential Properties Trust	900	36	0.3	WesternZagros Resources	6,000	4	-
Essex Property Trust	200	20	0.2	Yamana Gold	1,200	12	0.1
Freeport-McMoRan Copper & Gold	1,350	29	0.2	<b>United Kingdom – 3.0%</b>			
Gem Diamonds	1,800	4	-	Afren	3,000	4	-
General Growth Properties	1,400	16	0.1	African Minerals	2,400	7	0.1
Gran Tierra Energy	700	2	-	Amerisur Resources	14,500	5	-
Health Care Property Investors	1,887	57	0.5	Anglo American	1,200	23	0.2
Host Hotels & Resorts	3,400	32	0.3	Antofagasta	1,300	14	0.1
Kimco Realty	2,200	27	0.2	Beacon Hill Resources	72,800	4	-
Liberty Property Trust	1,000	23	0.2	BG Group	1,720	22	0.2
Macerich	400	15	0.1	BHP Billiton	2,300	43	0.3
National Retail Properties	400	7	0.1	British Land	7,066	38	0.3
Occidental Petroleum	500	28	0.2	Cluff Gold	6,000	3	-
Peabody Energy	1,030	14	0.1	Eurasian Natural Resources	2,100	8	0.1
Post Properties	400	13	0.1	Ferrexpo	10,400	19	0.2
Prologis	2,100	43	0.3	Highland Gold Mining	10,000	11	0.1
Public Storage	500	48	0.4	Land Securities	2,398	19	0.2
Sanchez Energy	250	3	-	Petra Diamonds	9,000	11	0.1
Simon Property Group	1,017	104	0.9	Premier Oil	500	1	-
SL Green Realty	400	20	0.2	Rio Tinto	1,790	53	0.4
Swift Energy	200	2	-	Royal Dutch Shell 'B'	1,600	36	0.3
Tanger Factory Outlet Centers	600	12	0.1	RusPetro	1,500	2	-
Ventas	1,296	56	0.5	Sable Mining Africa	20,000	2	-
Vornado Realty Trust	500	27	0.2	Sierra Rutile	7,800	6	0.1
Walter Energy	300	7	0.1	Unite Group	972	2	-
<b>Investment funds – 4.9%</b>				Valiant Petroleum	500	2	-
JPM Emerging Markets Infrastructure Equity 'X' GBP (Income)^	4,000	239	1.9	Xstrata	4,200	36	0.3
JPM Global Infrastructure Trends 'X' GBP (Income)^	4,465	362	3.0	<b>Australia – 1.7%</b>			
<b>Canada – 3.0%</b>				African Petroleum	3,600	3	-
Afferro Mining	3,400	2	-	Alumina	8,100	4	-
Africa Oil	1,400	7	0.1	Aurora Oil & Gas	3,700	8	0.1
Alamos Gold	700	7	0.1	Ausgold	2,400	1	-
Allied Properties REIT	200	4	-	Base Resources	8,200	2	-
Augusta Resource	3,400	4	-	Bathurst Resources	10,500	2	-
B2Gold	6,400	14	0.1	Beach Energy	1,800	1	-
Banro	2,200	6	0.1	Bullabulling Gold	30,800	3	-
Barrick Gold	930	20	0.2	Cape Lambert Resources	13,100	3	-
Brookfield Properties	1,661	18	0.2	Discovery Metals	6,400	6	0.1
Cameco Corporation	500	7	0.1	Equatorial Resources	2,800	4	-
Canadian Natural Resources	900	16	0.1	Fortescue Metals Group	10,800	30	0.2
Canadian Real Estate Investment	1,000	27	0.2	Gindalbie Metals	15,700	4	-
Cenovus Energy	600	12	0.1	Goodman Group	8,027	20	0.2
Centerra Gold	1,000	5	-	Gryphon Minerals	8,100	4	-
Champion Minerals	2,700	2	-	Iluka Resources	1,400	9	0.1
Coastal Energy	1,000	9	0.1	Independence Group	1,500	3	-
Copper Mountain Mining	800	2	-	Integra Mining	13,200	3	-
Duluth Metals	1,600	2	-	Mawson West	5,750	2	-
Eldorado Gold	2,100	15	0.1	Mineral Deposits	700	2	-
First Capital Realty	2,048	24	0.2	Mirabela Nickel	2,800	-	-
First Quantum Minerals	3,400	39	0.3	Newcrest Mining	1,600	25	0.2
Goldcorp	1,650	38	0.3	Northern Star Resources	12,400	7	0.1
Inmet Mining	100	2	-	Perseus Mining	1,900	3	-
Ithaca Energy	1,600	2	-	Resolute Mining	5,700	5	-
Ivanhoe Mines	1,215	7	0.1	Rex Minerals	3,500	2	-
Kinross Gold	2,200	12	0.1	Rialto Energy	9,000	1	-
Lucara Diamond	14,000	5	-	Sandfire Resources	700	3	-
Lundin Mining	2,500	7	0.1	Stockland Trust Group	9,943	22	0.2
Mandalay Resources	7900	3	-	Tiger Resources	16,000	3	-
Mercator Minerals	1,700	1	-	Western Areas	1,600	4	-
Mirasol Resources	700	1	-	Westfield Group	10,007	66	0.5
New Gold	400	3	-	World Titanium Resources	13,000	1	-
New Zealand Energy	2,100	2	-	<b>Japan – 1.1%</b>			
NGEx Resources	1,700	2	-	Japan Real Estate Investment	4	24	0.2
Niko Resources	300	3	-	Mitsubishi Estate	5,000	58	0.5
Pacific Rubiales Energy	400	6	0.1	Mitsui Fudosan	4,000	50	0.4
Parex Resources	1,400	4	-	<b>Hong Kong – 0.9%</b>			
Petrobank Energy & Resources	500	4	-	China Overseas Land & Investments	16,000	24	0.2
				Sino Land	16,000	17	0.1
				Sun Hung Kai Properties	7,000	56	0.5
				Wharf	5,000	18	0.1

## Portfolio statement – continued

As at 31 July 2012

Investment	Holding	Market value £'000	Total net assets %
<b>Singapore – 0.6%</b>			
CapitaCommercial Trust	33,000	23	0.2
CapitaLand	14,000	21	0.2
CapitaMalls Asia	27,000	23	0.2
<b>France – 0.3%</b>			
Unibail-Rodamco	354	43	0.3
<b>South Africa – 0.3%</b>			
AngloGold Ashanti	900	20	0.2
Impala Platinum	800	8	0.1
<b>Sweden – 0.2%</b>			
Lundin Petroleum	1,400	19	0.2
<b>Netherlands – 0.2%</b>			
Corio	620	18	0.2
<b>Ireland – 0.2%</b>			
Kenmare Resources	22,000	8	0.1
Providence Resources	1,100	7	0.1
<b>Mali – 0.1%</b>			
Randgold Resources ADS	200	12	0.1
<b>Germany – 0.1%</b>			
Alstria Office	1,171	9	0.1
<b>Norway – 0.1%</b>			
Det Norske Oljeselskap	200	2	-
DNO International	6,600	6	0.1
<b>Brazil – 0.0%</b>			
Petroleo Brasileiro ADS	300	4	-
<b>Forward currency contracts – 0.2%</b>			
<b>Euro</b>			
Sell €1,766,846 buy £1,391,985 dated 23/08/12		8	0.1
Sell €29,239 buy £22,741 dated 23/08/12		-	-
<b>US Dollar</b>			
Buy \$44,883 sell £28,697 dated 23/08/12		-	-
Sell \$4,664,488 buy £2,983,472 dated 23/08/12		10	0.1
Sell \$33,432 buy £21,292 dated 23/08/12		-	-
<b>Swaps – (0.2)%</b>			
Commodity Total Return Swaps 30 Dec 2011	1,981,426	36	0.3
Inflation Swaps UK RPI 10 May 2017	(2,000,000)	(62)	(0.5)
<b>Liquidity funds – 4.0%</b>			
JPM Sterling Liquidity 'X' (Income)^\$	£500,000	500	4.0
<b>Investment assets (including investment liabilities)</b>		<b>11,450</b>	<b>92.7</b>
<b>Net other assets</b>		<b>906</b>	<b>7.3</b>
<b>Net assets</b>		<b>12,356</b>	<b>100.0</b>

Portfolio credit ratings	Market value £'000
AAA	3,122
AA	195
AA-	248
A+	454
A	644
A-	1,026
BBB+	507
BBB	1,257
BBB-	574
<b>Total bonds</b>	<b>8,027</b>
Equities	2,931
Liquidity funds	500
Forward currency contracts	18
Swaps	(26)
<b>Investment assets (including investment liabilities)</b>	<b>11,450</b>

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

^ Deemed to be investment in related parties of the ACD

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

## Portfolio movements

For the period from 1 May 2012 to 31 July 2012

	£'000		£'000
<b>Total of all purchases for the period</b>	<b>12,724</b>	<b>Total of all sales for the period</b>	<b>1,304</b>
<b>Major purchases</b>	<b>Cost</b>	<b>Major sales</b>	<b>Proceeds</b>
JPM Sterling Liquidity 'X' (Income)^	1,500	JPM Sterling Liquidity 'X' (Income)^	1,000
JPM Global Infrastructure Trends 'X' GBP (Income)^	365	BNP Paribas 3.25% 2015	61
Treasury 2.5% Index-Linked 2016	250	DirectTV 3.5% 2016	44
JPM Emerging Markets Infrastructure Equity 'X' GBP (Income)^	246	Societe Generale 3.125% 2017	39
Treasury 2.5% Index-Linked 2020	220	Lloyds Banking Group 6.375% 2021	26
Treasury 1.25% Index-Linked 2027	215	Glimcher Realty Trust	18
Treasury 1.875% Index-Linked 2022	214	Comcast 6.55% 2039	17
Treasury 2.5% Index-Linked 2024	205	Macerich	11
Treasury 2.5% Index-Linked 2013	197	Southwestern Energy	11
Treasury 1.75% Index-Linked 2055	179	Corio	10
Treasury 1.125% Index-Linked 2037	177	Tanger Factory Outlet Centers	10
Treasury 1.25% Index-Linked 2032	177	Barrick Gold	10
Treasury 2% Index-Linked 2035	175	Equity Residential Properties Trust	8
Treasury 1.25% Index-Linked 2017	157	Bank of America 5.875% 2042	7
Treasury 4.125% Index-Linked 2030	148	BRE Properties 'A'	7
Treasury 0.625% Index-Linked 2042	135	Post Properties	6
Treasury 0.625% Index-Linked 2040	134	Land Securities	4
Treasury 0.75% Index-Linked 2047	130	Petromagdalen Energy	2
Treasury 0.5% Index-Linked 2050	124	Premier Oil	2
Citigroup 5.5% 2014	122	Integra Mining	1

^ Deemed to be investment in related parties of the ACD

# Financial statements

## Statement of total return

(Unaudited)

For the period from 1 May 2012 to 31 July 2012

	£'000	2012 £'000
Income		
Net capital losses		(15)
Revenue	68	
Expenses	(42)	
Net revenue before taxation	26	
Taxation	(5)	
Net revenue after taxation		21
<b>Total return before distributions</b>		<b>6</b>
Finance costs: Distributions		(20)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(14)</b>

## Statement of change in net assets attributable to shareholders

(Unaudited)

For the period from 1 May 2012 to 31 July 2012

	£'000	2012 £'000
<b>Opening net assets attributable to shareholders</b>		<b>-</b>
Amounts receivable on issue of shares	12,360	
Amounts payable on cancellation of shares	-	
		12,360
Change in net assets attributable to shareholders from investment activities (see above)		(14)
Retained distributions on accumulation shares		10
<b>Closing net assets attributable to shareholders</b>		<b>12,356</b>

## Balance sheet

(Unaudited)

As at

	31 July 2012	
	£'000	£'000
<b>ASSETS</b>		
Investment assets		11,512
Debtors	102	
Cash and bank balances	874	
<b>Total other assets</b>		<b>976</b>
<b>Total assets</b>		<b>12,488</b>
<b>LIABILITIES</b>		
Investment liabilities		(62)
Creditors	(60)	
Distribution payable on income shares	(10)	
<b>Total other liabilities</b>		<b>(70)</b>
<b>Total liabilities</b>		<b>(132)</b>
<b>Net assets attributable to shareholders</b>		<b>12,356</b>

# JPM Emerging Markets Fund

## Investment objective and policy<sup>A</sup>

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

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

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

## Risk profile

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

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

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

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

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

## Fund review

Over the six-month period, emerging market equities fell. The emerging Middle East and Africa region was the best performer, only posting marginal negative performance, while Latin America fell the most.

The Fund outperformed the benchmark in the period, with stock selection contributing positively to returns, while asset allocation detracted. Investment ideas in South Korea, Taiwan, Russia, Brazil, China and South Africa all added to relative returns. An overweight position in Turkey had a positive impact on relative performance. Names in India detracted from performance. Underweight positions in Thailand and Malaysia had a negative effect on relative performance, as did an overweight position in Brazil.

## Fund outlook

We believe emerging market equities are a value opportunity awaiting a catalyst. Long-term measures of value such as price-to-book value are touching crisis levels. Corporate profitability is under short-term cyclical pressures from slowing growth – a legacy of last year's tightening cycle, and a weak global environment. This does not make our asset class a value trap though as the long-term fundamentals of profitability – stable margins and low leverage – are intact. The only place we have reservations in this respect

are commodity cyclicals. The best years of the commodity super cycle are behind us and commodity businesses are under cost and cashflow pressures as they increase capital investments. This is reflected in our underweight position in materials stocks relative to the index.

## 12 month performance to 31 July

	2012	2011	2010	2009	2008
<b>JPM Emerging Markets A-Class Acc</b>	<b>-7.4%</b>	<b>9.3%</b>	<b>27.0%</b>	<b>0.1%</b>	<b>-0.4%</b>
<b>JPM Emerging Markets B-Class Acc</b>	<b>-6.9%</b>	<b>9.9%</b>	<b>27.7%</b>	<b>-</b>	<b>-</b>
<b>JPM Emerging Markets I-Class Acc</b>	<b>-6.8%</b>	<b>10.1%</b>	<b>27.8%</b>	<b>0.8%</b>	<b>0.2%</b>
Benchmark Index	-9.8%	12.1%	27.0%	-0.6%	-1.9%

## Six month performance to 31 July 2012

<b>JPM Emerging Markets A-Class Acc</b>	<b>-2.7%</b>
Benchmark Index	-4.2%

## Fund statistics

Risk and Reward Profile	7
Fund size	£1,023.9m
Benchmark Index	MSCI Emerging Markets Index (Net)
Fund charges	
A-Class	Initial 4.25%, Annual 1.50%
B-Class	Initial Nil, Annual 1.00%
I-Class	Initial Nil, Annual 1.00%

## Top ten holdings (excluding Liquidity funds) %

Samsung Electronics	6.4
China Mobile	3.7
Housing Development Finance	3.6
Taiwan Semiconductor Manufacturing	3.6
Companhia de Bebidas das Americas ADR Preference	3.1
CNOOC	3.1
Vale ADR Preference	2.9
Hyundai Motor	2.5
Petrobras Brasileiro ADR Preference	2.5
Grupo Financiero Banorte 'O'	2.4

You should remember that past performance is not a guide to the future. The price of investments and the income from them may fall as well as rise and investors may not get back the full amount invested. For specific risks, including the risk and reward profile, please refer to the Key Investor Information Document (KIID).

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

Source: J.P. Morgan.

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

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

## Geographical breakdown

	%
China	16.6
Brazil	15.9
South Korea	12.9
South Africa	9.2
India	8.3
Hong Kong	7.4
Taiwan	7.0
Mexico	4.2
Indonesia	3.7
Russia	3.1
Turkey	3.0
Liquidity funds	2.9
Argentina	2.2
Chile	2.1
Malaysia	0.6
Hungary	0.6
Net other assets	0.3

## Highest/lowest share price and distribution record

Calendar year	Highest share price	Lowest share price	Distribution per share (net)
<b>A-Class Accumulation Shares</b>			
2007	133.7p	94.19p	0.26p
2008	134.4p	67.49p	0.35p
2009	136.3p	76.63p	0.78p
2010	166.5p	127.1p	0.37p
2011	168.0p	123.6p	0.10p
2012 <sup>b</sup>	156.0p	134.1p	0.63p
<b>A-Class Income Shares<sup>c</sup></b>			
2007	59.71p	49.14p	-
2008	59.96p	30.12p	0.04p
2009	60.17p	33.85p	0.35p
2010	73.25p	56.09p	0.19p
2011	73.88p	54.32p	0.04p
2012 <sup>b</sup>	68.29p	58.72p	0.28p
<b>B-Class Accumulation Shares<sup>d</sup></b>			
2008	114.9p	100.0p	-
2009	179.4p	100.4p	0.21p
2010	220.3p	167.3p	1.25p
2011	222.2p	164.1p	1.16p
2012 <sup>b</sup>	207.7p	178.7p	1.87p
<b>B-Class Income Shares<sup>e</sup></b>			
2010	103.9p	100.3p	-
2011	104.8p	77.39p	0.00p
2012 <sup>b</sup>	97.04p	83.48p	0.88p
<b>I-Class Accumulation Shares</b>			
2007	491.8p	344.4p	3.00p
2008	495.2p	249.4p	3.56p
2009	507.7p	283.6p	5.15p
2010	624.4p	473.6p	4.17p
2011	629.9p	465.7p	4.14p
2012 <sup>b</sup>	589.9p	507.8p	6.12p

<sup>a</sup> To 31 July 2012.

<sup>c</sup> A-Class Income Shares were launched on 1 September 2007.

<sup>d</sup> B-Class Accumulation Shares were launched on 3 December 2008.

<sup>e</sup> B-Class Income Shares were launched on 14 December 2010.

## Portfolio turnover rate

31.01.12	42.4%
31.07.12	(11.5)%

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

## Net asset values and Ongoing charges

Date	Net asset value per share class £'000	Number of shares	Net asset value per share	Ongoing charges
<b>A-Class Accumulation Shares</b>				
31.01.10	435,085	340,501,356	127.8p	1.67%
31.01.11	575,212	376,893,683	152.6p	1.68%
31.01.12	520,947	350,384,991	148.7p	1.68%
31.07.12	532,431	368,054,126	144.7p	1.68%
<b>A-Class Income Shares</b>				
31.01.10 <sup>f</sup>	4,938	8,785,925	56.20p	1.66%
31.01.11 <sup>f</sup>	9,978	14,871,643	67.09p	1.68%
31.01.12 <sup>f</sup>	9,549	14,672,764	65.08p	1.68%
31.07.12	16,211	25,601,456	63.32p	1.68%
<b>B-Class Accumulation Shares</b>				
31.01.10	1,929	1,146,736	168.2p	1.15%
31.01.11	2,493	1,234,606	201.9p	1.15%
31.01.12	18,971	9,592,054	197.8p	1.15%
31.07.12	10,446	5,413,810	192.9p	1.15%
<b>B-Class Income Shares</b>				
31.01.11 <sup>f</sup>	20,942	21,984,985	95.26p	1.15%
31.01.12 <sup>f</sup>	33,304	36,041,826	92.40p	1.15%
31.07.12	1,313	1,456,896	90.10p	1.15%
<b>I-Class Accumulation Shares</b>				
31.01.10	241,402	50,701,924	476.1p	1.00%
31.01.11	372,358	65,031,129	572.6p	1.00%
31.01.12	452,272	80,537,340	561.6p	1.00%
31.07.12	463,486	84,539,717	548.3p	1.00%

<sup>f</sup> The net asset value and the net asset value per income share are shown ex-dividend at the financial year end.

Following the adoption of the requirements of the UCITS IV in June 2012, Ongoing charges has replaced the Total expense ratio (TER). The Ongoing charges takes into account the ACD fee and any fixed 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 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 31 July 2012

Investment	Holding	Market value £'000	Total net assets %
<b>China - 16.6% (13.9%)</b>			
Anhui Conch Cement 'H'	6,430,500	10,813	1.1
China Construction Bank 'H'	43,580,050	18,741	1.8
China Merchants Bank 'H'	13,511,150	15,887	1.6
China Mobile	5,026,500	37,611	3.7
CNOOC	24,427,000	31,534	3.1
New Oriental Education & Technology ADR	543,432	3,759	0.4
Ping An Insurance 'H'	4,537,500	22,647	2.2
Tingyi	5,552,000	8,747	0.9
Tsingtao Brewery 'H'	3,758,000	14,013	1.4
Wumart Stores 'H'	2,955,000	3,650	0.4
<b>Brazil - 15.9% (17.3%)</b>			
Cielo	1,032,279	19,923	1.9
Companhia de Bebidas das Americas ADR Preference	1,268,595	31,810	3.1
Companhia de Concessoes Rodoviaras	2,133,000	11,674	1.1
Itau Unibanco ADR Preference	391,300	4,059	0.4
Itau Unibanco Non-Cum Preference	1,535,800	15,956	1.5
OGX Petroleo e Gas Participacoes	2,588,200	4,708	0.5
Petrobras Brasileiro ADR Preference	1,986,146	25,211	2.5
Ultrapar Participacoes	849,300	12,981	1.3
Vale ADR Preference	2,608,856	29,856	2.9
WEG	1,149,800	6,900	0.7
<b>South Korea - 12.9% (11.5%)</b>			
E-mart	65,199	9,485	0.9
Hyundai Mobis	130,470	22,034	2.2
Hyundai Motor	189,409	25,313	2.5
POSCO	42,817	8,788	0.9
Samsung Electronics	88,511	65,332	6.4
<b>South Africa - 9.2% (7.9%)</b>			
African Bank Investments	3,690,741	10,620	1.0
Bidvest Group	775,200	11,913	1.2
FirstRand	4,169,706	9,122	0.9
Impala Platinum	1,035,510	10,518	1.0
Massmart	680,945	9,291	0.9
MTN Group	1,683,312	19,776	1.9
RMB	1,826,544	5,319	0.5
Shoprite	1,021,700	12,957	1.3
Tiger Brands	246,900	5,169	0.5
<b>India - 8.3% (11.0%)</b>			
ACC	670,066	10,199	1.0
Ambuja Cements	1,584,459	3,285	0.3
Bharti Airtel	3,906,974	13,468	1.3
Housing Development Finance	4,713,000	37,228	3.6
Infosys Technologies	293,269	7,470	0.7
Infosys Technologies ADR	408,987	10,294	1.0
Jindal Steel & Power	933,200	4,263	0.4
<b>Hong Kong - 7.4% (8.9%)</b>			
Aia Group	8,635,400	19,349	1.9
Hang Lung Properties	7,012,000	15,913	1.6
Jardine Matheson	465,600	15,540	1.5
Li & Fung	11,062,000	13,916	1.4
Standard Chartered	682,200	10,096	1.0
<b>Taiwan - 7.0% (6.4%)</b>			
Delta Electronics	7,350,000	15,798	1.5
Hon Hai Precision Industry	8,167,292	14,704	1.4
President Chain Store	1,620,000	5,413	0.5
Taiwan Semiconductor Manufacturing	3,979,480	6,851	0.7
Taiwan Semiconductor Manufacturing ADS	3,449,754	29,692	2.9
<b>Mexico - 4.2% (4.4%)</b>			
Grupo Financiero Banorte 'O'	6,940,372	24,366	2.4
Wal-Mart de Mexico 'V'	10,473,120	18,864	1.8
<b>Indonesia - 3.7% (3.9%)</b>			
Astra International	39,665,000	18,589	1.8
Bank Rakyat Indonesia	26,677,194	12,592	1.2
Unilever Indonesia	4,465,600	7,242	0.7
<b>Russia - 3.1% (3.3%)</b>			
Magnit	40,500	3,420	0.3
Magnit GDR	537,700	11,234	1.1
Sberbank	9,475,395	16,970	1.7

Investment	Holding	Market value £'000	Total net assets %
<b>Turkey - 3.0% (2.8%)</b>			
KOC	2,924,565	7,474	0.7
Turkiye Garanti Bankasi	9,518,060	23,919	2.3
<b>Argentina - 2.2% (2.2%)</b>			
Tenaris ADR	890,455	22,214	2.2
<b>Chile - 2.1% (2.1%)</b>			
Banco Santander Chile ADR	434,383	21,726	2.1
<b>Malaysia - 0.6% (0.6%)</b>			
British American Tobacco Malaysia	526,800	6,422	0.6
<b>Hungary - 0.6% (0.7%)</b>			
OTP Bank	643,900	6,394	0.6
<b>Liquidity funds - 2.9% (0.7%)</b>			
JPM Sterling Liquidity 'X' (Income)^\$	29,411,499	29,411	2.9
<b>Investment assets</b>		<b>1,020,433</b>	<b>99.7</b>
<b>Net other assets</b>		<b>3,454</b>	<b>0.3</b>
<b>Net assets</b>		<b>1,023,887</b>	<b>100.0</b>

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

The comparative percentage figures in brackets are at 31 January 2012.

^ Deemed to be investment in related parties of the ACD

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

## Portfolio movements

For the six months ending 31 July 2012

	£'000		£'000
<b>Total of all purchases for the period</b>	<b>143,261</b>	<b>Total of all sales for the period</b>	<b>121,463</b>
<b>Purchases</b>	<b>Cost</b>	<b>Sales</b>	<b>Proceeds</b>
JPM Sterling Liquidity 'X' (Income)^	98,660	JPM Sterling Liquidity 'X' (Income)^	76,550
Standard Chartered	11,197	Orascom Constructions Industry	7,666
Companhia de Concessoes Rodoviaras	10,922	Li & Fung	6,025
Bidvest Group	5,863	Wal-Mart de Mexico 'V'	5,652
President Chain Store	5,579	Magnit GDR	5,117
Tiger Brands	5,528	United Spirits	5,058
China Mobile	5,523	CNOOC	4,249
Companhia de Bebidas das Americas ADR Preference	(11)	China Construction Bank 'H'	2,735
		NII Holdings	2,734
		China Merchants Bank 'H'	2,661
		Bharti Airtel	2,571
		British American Tobacco Malaysia	445

^ Deemed to be investment in related parties of the ACD

# Financial statements

## Statement of total return

(Unaudited)

For the six months ending 31 July

	2012	2011
	£'000	£'000
Income		
Net capital (losses)/gains	(34,552)	13,356
Revenue	15,673	13,196
Expenses	(6,940)	(6,880)
Net revenue before taxation	8,733	6,316
Taxation	(1,468)	(1,315)
Net revenue after taxation	7,265	5,001
<b>Total return before distributions</b>	<b>(27,287)</b>	<b>18,357</b>
Finance costs: Distributions	(34)	254
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>(27,321)</b>	<b>18,611</b>

## Balance sheet

(Unaudited)

As at

	31 July 2012	31 January 2012
	£'000	£'000
<b>ASSETS</b>		
Investment assets	1,020,433	1,033,039
Debtors	2,124	3,043
Cash and bank balances	3,109	1,371
<b>Total other assets</b>	<b>5,233</b>	<b>4,414</b>
<b>Total assets</b>	<b>1,025,666</b>	<b>1,037,453</b>
<b>LIABILITIES</b>		
Creditors	(1,779)	(2,052)
Distribution payable on income shares	-	(358)
<b>Total liabilities</b>	<b>(1,779)</b>	<b>(2,410)</b>
<b>Net assets attributable to shareholders</b>	<b>1,023,887</b>	<b>1,035,043</b>

## Statement of change in net assets attributable to shareholders

(Unaudited)

For the six months ending 31 July

	2012	2011
	£'000	£'000
<b>Opening net assets attributable to shareholders</b>	<b>1,035,043</b>	<b>980,983</b>
Amounts receivable on issue of shares	126,975	131,175
Amounts payable on cancellation of shares	(110,805)	(74,153)
	16,170	57,022
Change in net assets attributable to shareholders from investment activities (see above)	(27,321)	18,611
Stamp duty reserve tax	(5)	-
<b>Closing net assets attributable to shareholders</b>	<b>1,023,887</b>	<b>1,056,616</b>

As the comparatives in the above table are for the previous interim period, the net assets at the end of that period will not agree to the net assets at the start of the current period.

# JPM Emerging Markets Income Fund

## Investment objective and policy

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

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

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

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

**Financial Derivative Instruments may be used for the purpose of Efficient Portfolio Management, including hedging, where appropriate (see section 11.14 of the Prospectus for Risk Warnings on derivatives). Subject to at least 60 days notice to shareholders, the Fund may use derivatives for investment purposes which may change the risk profile of the Fund.**

## Risk profile

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

The value of Equity and Equity-Linked Securities may fluctuate in response to the performance of individual companies and general market conditions. Furthermore, Participation Notes run the risk of counterparty default which may result in the loss of the full market value of the Note.

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

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

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

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

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

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

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 and outlook

As the Fund was only launched on 24 July 2012 we have not included a Fund review and outlook.

## Performance to 31 July

Since launch 24/07/12

<b>JPM Emerging Markets Income</b>	
A-Class Acc	3.1%
Benchmark Index	3.8%

## Fund statistics

Risk and Reward Profile	7
Fund size	£5.9m
Benchmark Index	MSCI Emerging Markets Index (Net)
Fund charges	
A-Class	Initial 4.25%, Annual 1.50%
B-Class	Initial Nil, Annual 1.00%

## Top ten holdings (excluding Liquidity funds)

	%
JPM Emerging Markets Debt 'X' USD (Income) <sup>^</sup>	9.2
Bradespar Non Cum Preference	2.7
Saudi Arabian Fertilizer ELN 2012 (Credit Suisse)	2.5
China Mobile	2.4
Taiwan Semiconductor Manufacturing ADS	2.4
Lukoil ADR	2.3
Bank of China 'H'	2.3
China Construction Bank 'H'	1.9
Tiger Brands	1.9
Cia Souza Cruz 'E'	1.9

<sup>^</sup> Deemed to be investment in related parties of the ACD

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).

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

Source: J.P. Morgan.

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

## Sector breakdown

	%
China	13.1
South Africa	9.6
Brazil	9.3
Investment funds	9.2
Taiwan	9.0
Liquidity funds	7.6
Russia	5.0
South Korea	4.6
Hong Kong	4.6
Poland	4.3
Thailand	3.4
Turkey	3.1
Mexico	3.1
Indonesia	3.0
Qatar	2.9
India	2.7
Saudi Arabia	2.5
Philippines	1.9
Malaysia	1.6
Kazakhstan	1.6
Chile	1.4
Net other liabilities	(3.5)

## Highest/lowest share price and distribution record

Calendar year	Highest share price	Lowest share price	Distribution per share (net)
<b>A-Class Accumulation Shares<sup>A</sup></b>			
2012 <sup>B</sup>	51.54p	50.26p	-
<b>A-Class Income Shares<sup>A</sup></b>			
2012 <sup>B</sup>	51.54p	50.26p	-
<b>B-Class Income Shares<sup>A</sup></b>			
2012 <sup>B</sup>	103.1p	100.6p	-

<sup>A</sup> A-Class Accumulation Shares, A-Class Income Shares and B-Class Income Shares were launched on 24 July 2012.

<sup>B</sup> To 31 July 2012.

## Portfolio turnover rate

31.07.12	(4.2)%
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The portfolio turnover rate (PTR) reflects the total of security purchases and sales (excluding Liquidity funds), less the total of share issues and cancellations, expressed as a percentage of the average daily net asset values over the period.

## Net asset values and Ongoing charges

Date	Net asset value per share class £'000	Number of shares	Net asset value per share	Ongoing charges
<b>A-Class Accumulation Shares</b>				
31.07.12	2,893	5,646,262	51.24p	1.68%
<b>A-Class Income Shares</b>				
31.07.12	1,901	3,709,690	51.25p	1.68%
<b>B-Class Income Shares</b>				
31.07.12	1,113	1,085,666	102.5p	1.15%

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 and any fixed 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 custodian handling charges in the Ongoing charges figure.

# Portfolio statement

As at 31 July 2012

Investment	Holding	Market value £'000	Total net assets %
<b>China - 13.1%</b>			
Bank of China 'H'	562,000	137	2.3
China Construction Bank 'H'	268,000	115	1.9
China Mobile	19,000	142	2.4
Industrial & Commercial Bank of China 'H'	275,000	100	1.7
Jiangsu Expressway 'H'	146,000	86	1.5
Petrochina 'H'	136,000	109	1.8
Zhejiang Expressway 'H'	192,000	88	1.5
<b>South Africa - 9.6%</b>			
Exxaro Resources	7,550	101	1.7
Foschini	6,600	74	1.3
Growthpoint Properties Units	21,400	43	0.7
Kumba Iron	2,300	95	1.6
MTN Group	8,650	102	1.7
Old Mutual	27,300	44	0.7
Tiger Brands	5,450	114	1.9
<b>Brazil - 9.3%</b>			
AES Tiete	11,250	86	1.4
Bradespar Non Cum Preference	16,750	158	2.7
Cia Souza Cruz 'E'	12,100	114	1.9
Cia Transmissao de Energia Electrica Paulista Preference	4,400	80	1.4
Cia Transmissao de Energia Electrica Paulista Rights 2012	37	-	-
Companhia de Concessoes Rodoviaras	20,400	112	1.9
<b>Investment funds - 9.2%</b>			
JPM Emerging Markets Debt 'X' USD (Income)^	8,400	541	9.2
<b>Taiwan - 9.0%</b>			
Asustek Computer	18,000	107	1.8
Delta Electronics	52,000	112	1.9
Taiwan Mobile	41,000	86	1.5
Taiwan Semiconductor Manufacturing ADS	16,400	141	2.4
Tripod Technology	58,000	84	1.4
<b>Russia - 5.0%</b>			
Lukoil ADR	3,800	138	2.3
Mechel ADR Preference	43,600	68	1.2
Mobile Telesystems ADR	7,100	87	1.5
<b>South Korea - 4.6%</b>			
KT&G	2,000	94	1.6
SK Telecom ADR	11,300	98	1.6
S-Oil	1,500	81	1.4
<b>Hong Kong - 4.6%</b>			
Hang Seng Bank	9,300	82	1.4
SJM	81,000	92	1.6
Vtech	12,800	96	1.6
<b>Poland - 4.3%</b>			
KGHM Polska Miedz	3,850	93	1.6
Powszechny Zaklad Ubezpieczen	1,300	87	1.5
Telekomunikacja Polska	22,950	69	1.2
<b>Thailand - 3.4%</b>			
Advanced Info Service Public Non-Voting Depository Receipt	26,600	108	1.8
Charoen Pokphand Foods Non-Voting Depository Receipt	139,100	93	1.6

Investment	Holding	Market value £'000	Total net assets %
<b>Turkey - 3.1%</b>			
Arcelik	27,450	88	1.5
Turkiye Petrol Rafinerileri	6,900	98	1.6
<b>Mexico - 3.1%</b>			
Grupo Aeroportuario del Sureste ADS 'B'	1,500	87	1.5
Kimberly-Clark de Mexico 'A'	73,550	97	1.6
<b>Indonesia - 3.0%</b>			
Perusahaan Gas Negara	317,000	80	1.4
Telekomunikasi Indonesia 'B'	155,000	95	1.6
<b>Qatar - 2.9%</b>			
Commercial Bank of Qatar	6,550	80	1.3
Qatar Industries	4,000	92	1.6
<b>India - 2.7%</b>			
Ascendas India Trust Units	167,000	66	1.1
Tata Motors ELN 2014 (UBS)	64,800	96	1.6
<b>Saudi Arabia - 2.5%</b>			
Saudi Arabian Fertilizer ELN 2012 (Credit Suisse)	4,300	145	2.5
<b>Philippines - 1.9%</b>			
Philippine Long Distance Telephone ADR	2,650	111	1.9
<b>Malaysia - 1.6%</b>			
Berjaya Sports Toto Berhad	110,400	96	1.6
<b>Kazakhstan - 1.6%</b>			
KazMunaiGas Exploration Production GDR	8,200	93	1.6
<b>Chile - 1.4%</b>			
Banco Santander Chile ADR	1,600	80	1.4
<b>Liquidity funds - 7.6%</b>			
JPM Sterling Liquidity 'X' (Income)^\$	450,000	450	7.6
<b>Investment assets</b>		<b>6,111</b>	<b>103.5</b>
<b>Net other liabilities</b>		<b>(204)</b>	<b>(3.5)</b>
<b>Net assets</b>		<b>5,907</b>	<b>100.0</b>

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

^ Deemed to be investment in related parties of the ACD

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

## Portfolio movements

For the period from 24 July 2012 to 31 July 2012

	£'000		£'000
<b>Total of all purchases for the period</b>	<b>6,530</b>	<b>Total of all sales for the period</b>	<b>550</b>
<b>Major purchases</b>	<b>Cost</b>	<b>Sales</b>	<b>Proceeds</b>
JPM Sterling Liquidity 'X' (Income)^	1,000	JPM Sterling Liquidity 'X' (Income)^	550
JPM Emerging Markets Debt 'X' USD (Income)^	542		
Bradespar Non Cum Preference	157		
Saudi Arabian Fertilizer ELN 2012 (Credit Suisse)	145		
China Mobile	137		
Taiwan Semiconductor Manufacturing ADS	135		
Lukoil ADR	134		
Bank of China 'H'	132		
Cia Souza Cruz 'E'	112		
Advanced Info Service Public Non-Voting Depository Receipt	111		
Delta Electronics	109		
Companhia de Concessoes Rodoviaras	108		
China Construction Bank 'H'	108		
Philippine Long Distance Telephone ADR	107		
Asustek Computer	107		
Petrochina 'H'	105		
MTN Group	97		
SK Telecom ADR	97		
Vtech	96		
Kumba Iron	95		

^ Deemed to be investment in related parties of the ACD

# Financial statements

## Statement of total return

(Unaudited)

For the period from 24 July 2012 to 31 July 2012

	£'000	2012 £'000
Income		
Net capital gains		140
Revenue	-	
Expenses	(1)	
Net expenses before taxation	(1)	
Taxation	-	
Net expenses after taxation		(1)
<b>Total return before distributions</b>		<b>139</b>
Finance costs: Distributions		-
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>139</b>

## Balance sheet

(Unaudited)

As at

	31 July 2012	
	£'000	£'000
<b>ASSETS</b>		
Investment assets		6,111
Debtors	192	
Cash and bank balances	852	
<b>Total other assets</b>		<b>1,044</b>
<b>Total assets</b>		<b>7,155</b>
<b>LIABILITIES</b>		
Creditors	(1,248)	
<b>Total liabilities</b>		<b>(1,248)</b>
<b>Net assets attributable to shareholders</b>		<b>5,907</b>

## Statement of change in net assets attributable to shareholders

(Unaudited)

For the period from 24 July 2012 to 31 July 2012

	£'000	2012 £'000
<b>Opening net assets attributable to shareholders</b>		<b>-</b>
Amounts receivable on issue of shares	5,768	
Amounts payable on cancellation of shares	-	
		5,768
Change in net assets attributable to shareholders from investment activities (see above)		139
<b>Closing net assets attributable to shareholders</b>		<b>5,907</b>

# JPM Emerging Markets Infrastructure Fund

## Investment objective and policy

To achieve long-term capital growth by investing primarily in Emerging Markets companies related to infrastructure opportunities.

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

Investments may include, but are not limited to, companies found in the capital goods, transportation, telecommunication services, utilities, energy, materials and real estate sectors. The Fund may invest in smaller companies.

**Financial Derivative Instruments (derivatives) may be used for the purpose of efficient portfolio management, including hedging, where appropriate (see Section 11.14 of the Prospectus for Risk Warnings on derivatives). Subject to at least 60 days notice to shareholders, the Fund may use derivatives for investment purposes which may change the risk profile of the Fund.**

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

## Risk profile

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

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

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

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

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

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

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

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

## Fund review

Over the six-month period, emerging market equities fell. The emerging Middle East and Africa region was the best performer, only positing marginal negative performance, while Latin America fell the most.

The Fund strongly outperformed its benchmark in the period, with stock selection being the key driver of relative returns. Investment ideas in Brazil, China, Russia, Mexico, South Africa, Turkey, Chile and India all contributed positively to relative performance. Names in Colombia and Indonesia detracted from returns, although an overweight in Colombia was beneficial. An overweight in Turkey also had a positive impact on performance. Zero holdings in the Philippines, Taiwan and Malaysia had a negative impact on relative performance, as did an overweight position in Brazil and an underweight in Mexico.

## Fund outlook

We believe emerging market equities are a value opportunity awaiting a catalyst. Long-term measures of value such as price-to-book value are touching crisis levels. Corporate profitability is under short-term cyclical pressures from slowing growth – a legacy of last year's tightening cycle and a weak global environment. This does not make our asset class a value trap though as the long-term fundamentals of profitability – stable margins and low leverage – are intact. The only place we have reservations in this respect are commodity cyclicals. The best years of the commodity super cycle are behind us and commodity businesses are under cost and cashflow pressures as they increase capital investments. This is reflected in our underweight position in materials stocks relative to the index.

## 12 month performance to 31 July

	2012	2011	2010
<b>JPM Emerging Markets Infrastructure A-Class Acc</b>	<b>-11.1%</b>	<b>12.6%</b>	<b>25.3%</b>
<b>JPM Emerging Markets Infrastructure B-Class Acc<sup>a</sup></b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Benchmark Index<sup>b</sup></b>	<b>-16.0%</b>	<b>13.4%</b>	<b>22.4%</b>

## Six month performance to 31 July 2012

<b>JPM Emerging Markets Infrastructure A-Class Acc</b>	<b>-2.6%</b>
<b>Benchmark Index<sup>b</sup></b>	<b>-8.3%</b>

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).

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

<sup>a</sup> The launch of this share class occurred less than 12 months ago and as a result no performance return is reported.

<sup>b</sup> Benchmark for this Fund is customised by Morgan Stanley Capital International (MSCI), limited to seven sectors: Energy, Materials (excluding Fertilizers & Agricultural Chemicals, Metal & Glass Containers, Paper Packaging, and Gold), Capital Goods (excluding Trading Companies & Distributors), Transportation, Real Estate (excluding Residential REITs and Retail REITs), Telecommunication Services and Utilities.  
Benchmark Source: MSCI. Neither MSCI nor any other party involved in or related to compiling, computing or creating the MSCI data makes any express of implied warranties or representations with respect to such data (or the results to be obtained by the use thereof), and all such parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability or fitness for a particular purpose with respect to any of such data. Without limiting any of the foregoing, in no event shall MSCI, any of its affiliates or any third party involved in or related to compiling computing or creating the data have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages. No further distribution or dissemination of the MSCI data is permitted without MSCI's express written consent.

## Fund statistics

Risk and Reward Profile	7
Fund size	£27.4m
Benchmark Index <sup>®</sup>	MSCI Customised Emerging Markets Infrastructure Index (Net)
Fund charges	
A-Class	Initial 4.25%, Annual 1.75%
B-Class	Initial Nil, Annual 1.15%

## Top ten holdings

	%
China Mobile	4.4
CNOOC	4.4
Ultrapar Participacoes ADR	3.8
Bidvest Group	3.4
Grupo Aeroportuario del Sureste ADS 'B'	3.3
Aggreko	3.2
Millicom International Cellular BDR	3.2
Companhia de Concessoes Rodoviaras	2.9
Technip	2.8
Towngas China	2.8

## Geographical breakdown

	%
Brazil	25.0
China	14.1
Russia	10.6
India	7.8
South Africa	7.1
Colombia	6.9
United Arab Emirates	4.4
Turkey	3.7
Mexico	3.3
South Korea	3.3
France	2.8
Chile	2.6
Indonesia	2.3
Ghana	2.1
Nigeria	1.1
Hong Kong	0.8
Singapore	0.8
Thailand	0.8
Net other assets	0.5

## Highest/lowest share price and distribution record

Calendar year	Highest share price	Lowest share price	Distribution per share (net)
<b>A-Class Accumulation Shares<sup>c</sup></b>			
2008	53.42p	31.26p	-
2009	68.50p	35.43p	0.00p
2010	86.11p	64.41p	0.58p
2011	87.25p	62.14p	0.08p
2012 <sup>d</sup>	78.12p	65.70p	0.47p
<b>A-Class Income Shares<sup>c</sup></b>			
2008	53.42p	31.26p	-
2009	68.53p	35.43p	0.00p
2010	85.32p	63.95p	0.58p
2011	86.45p	61.51p	0.05p
2012 <sup>d</sup>	76.75p	64.62p	0.46p
<b>B-Class Accumulation Shares<sup>e</sup></b>			
2012 <sup>d</sup>	100.9p	97.51p	0.00p

<sup>c</sup> A-Class Accumulation and A-Class Income Shares were launched on 16 September 2008.

<sup>d</sup> To 31 July 2012.

<sup>e</sup> B-Class Accumulation Shares were launched on 9 July 2012.

## Portfolio turnover rate

31.01.12	104.8%
31.07.12	25.3%

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

## Net asset values and Ongoing charges

Date	Net asset value per share class £'000	Number of shares	Net asset value per share	Ongoing charges
<b>A-Class Accumulation Shares</b>				
31.01.10	8,379	12,938,640	64.76p	1.93%
31.01.11	21,208	26,262,505	80.76p	1.93%
31.01.12	25,987	36,111,070	71.96p	1.93%
31.07.12	24,777	35,349,571	70.09p	1.93%
<b>A-Class Income Shares</b>				
31.01.10	1,440	2,244,547	64.17p	1.93%
31.01.11	2,358	2,949,559	79.94p	1.93%
31.01.12	2,575	3,637,821	70.78p	1.93%
31.07.12	2,645	3,836,755	68.93p	1.93%
<b>B-Class Accumulation Shares</b>				
31.07.12	16	16,364	100.8p	1.30%

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 and any fixed 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 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 31 July 2012

Investment	Holding	Market value £'000	Total net assets %
<b>Brazil - 25.0% (23.5%)</b>			
AES Tiete	52,217	400	1.5
BR Malls Participacoes	54,670	410	1.5
Companhia de Concessoes Rodoviaras	144,100	789	2.9
Marcopolo Preference	124,400	399	1.5
Mills Estruturas e Servicos	58,330	507	1.8
OGX Petroleo e Gas Participacoes	232,300	423	1.5
Tegma Gestao Logistica	42,800	452	1.7
Telefonica Brasil Preference ADR	40,620	606	2.2
TIM Participacoes ADR	29,700	423	1.5
Tractebel Energia	47,600	547	2.0
Ultrapar Participacoes ADR	67,640	1,035	3.8
Vale ADR	26,291	306	1.1
WEG	91,829	551	2.0
<b>China - 14.1% (10.4%)</b>			
Anhui Conch Cement 'H'	123,500	208	0.8
China Mobile	41,000	307	1.1
China Mobile ADR	24,677	909	3.3
China Shenhua Energy 'H'	203,000	483	1.7
CNOOC	700,000	904	3.3
CNOOC ADS	2,300	293	1.1
Towngas China	1,737,000	773	2.8
<b>Russia - 10.6% (8.1%)</b>			
AO Tatneft ADR	14,700	360	1.3
EurAsia Drilling Company GDR	21,870	392	1.4
Globaltrans Investment GDR	34,800	428	1.6
Lukoil ADR	8,100	294	1.1
Magnitogorsk Iron & Steel Works GDR	113,300	270	1.0
Mobile Telesystems ADR	20,000	244	0.9
Mostotrest	78,200	276	1.0
OAO Severstal GDR	39,400	280	1.0
TMK GDR	40,400	368	1.3
<b>India - 7.8% (11.4%)</b>			
ACC	12,860	196	0.7
Ambuja Cements	99,280	206	0.8
Bharti Airtel	52,780	182	0.7
Coal India	61,273	252	0.9
Gujarat Gas	80,200	284	1.0
Jindal Steel & Power	58,350	267	1.0
Larsen & Toubro	35,200	550	2.0
Ultra Tech Cement	10,950	205	0.7
<b>South Africa - 7.1% (7.0%)</b>			
African Rainbow Minerals	45,400	557	2.0
Bidvest Group	60,900	936	3.4
Kumba Iron	11,000	453	1.7
<b>Colombia - 6.9% (3.8%)</b>			
First Quantum Minerals	31,000	359	1.3
Millicom International Cellular BDR	15,200	870	3.2
Pacific Rubiales Energy	45,707	670	2.4
<b>United Arab Emirates - 4.4% (4.3%)</b>			
Aggreko	43,518	892	3.2
Aramex	1,045,500	318	1.2
<b>Turkey - 3.7% (5.3%)</b>			
KOC	156,036	399	1.5
TAV Havalimanlari	172,246	614	2.2
<b>Mexico - 3.3% (2.5%)</b>			
Grupo Aeroportuario del Sureste ADS 'B'	15,584	903	3.3
<b>South Korea - 3.3% (5.5%)</b>			
Hyundai Heavy Industries	1,910	260	0.9
LG Chemical	1,940	343	1.3
Samsung Engineering	2,850	293	1.1
<b>France - 2.8% (1.8%)</b>			
Technip	11,400	779	2.8
<b>Chile - 2.6% (1.8%)</b>			
Empresa Nacional de Telecomunicaciones	32,200	408	1.5
Sociedad Matriz Saam	4,355,098	302	1.1
<b>Indonesia - 2.3% (1.4%)</b>			
Tower Bersama Infrastructure	1,078,500	285	1.0
United Tractors	256,000	361	1.3
<b>Ghana - 2.1% (2.1%)</b>			
Tullow Oil	43,200	566	2.1

Investment	Holding	Market value £'000	Total net assets %
<b>Nigeria - 1.1% (0.9%)</b>			
Afren	235,100	296	1.1
<b>Hong Kong - 0.8% (4.6%)</b>			
Enn Energy	94,000	228	0.8
<b>Singapore - 0.8% (0.8%)</b>			
Hutchison Port	468,000	227	0.8
<b>Thailand - 0.8% (0.6%)</b>			
Total Access Communication Non-Voting Depository Receipt	123,700	206	0.8
<b>Investment assets</b>		<b>27,304</b>	<b>99.5</b>
<b>Net other assets</b>		<b>134</b>	<b>0.5</b>
<b>Net assets</b>		<b>27,438</b>	<b>100.0</b>

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

The comparative percentage figures in brackets are at 31 January 2012.

## Portfolio movements

For the six months ending 31 July 2012

	£'000		£'000
<b>Total of all purchases for the period</b>	<b>6,492</b>	<b>Total of all sales for the period</b>	<b>6,632</b>
<b>Major purchases</b>	<b>Cost</b>	<b>Major sales</b>	<b>Proceeds</b>
TIM Participacoes ADR	548	Petrobras Brasileiro ADR Preference	498
Tractebel Energia	548	POSCO ADR	408
Globaltrans Investment GDR	396	Kumba Iron	363
Marcopolo Preference	392	Dragon Oil	295
SudAmericana de Vapores	388	China Gas	287
OGX Petroleo e Gas Participacoes	374	SudAmericana de Vapores	275
Millicom International Cellular BDR	320	Vale ADR	266
Telefonica Brasil Preference ADR	304	United Tractors	261
OAO Severstal GDR	299	Jindal Steel & Power	260
Tower Bersama Infrastructure	279	Lukoil ADR	258
United Tractors	276	Magnitogorsk Iron & Steel Works GDR	243
Magnitogorsk Iron & Steel Works GDR	271	Crompton Greaves	230
POSCO ADR	269	Randon sa Implementos e Participaco Non Cum Preference	226
Pacific Rubiales Energy	211	TAV Havalimanlari	200
Kumba Iron	204	Millicom International Cellular BDR	194
Technip	187	Ultrapar Participacoes ADR	193
Sociedad Matriz Saam	187	Telefonica Brasil Preference ADR	188
Lukoil ADR	156	KOC	170
WEG	154	LG Chemical	163
African Rainbow Minerals	140	Mostotrest	159

# Financial statements

## Statement of total return

(Unaudited)

For the six months ending 31 July

	2012	2011
	£'000	£'000
Income		
Net capital losses	(987)	(861)
Revenue	496	423
Expenses	(279)	(264)
Net revenue before taxation	217	159
Taxation	(34)	(32)
Net revenue after taxation	183	127
<b>Total return before distributions</b>	<b>(804)</b>	<b>(734)</b>
Finance costs: Distributions	(5)	18
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>(809)</b>	<b>(716)</b>

## Balance sheet

(Unaudited)

As at

	31 July 2012	31 January 2012
	£'000	£'000
<b>ASSETS</b>		
Investment assets	27,304	28,430
Debtors	615	94
Cash and bank balances	128	435
<b>Total other assets</b>	<b>743</b>	<b>529</b>
<b>Total assets</b>	<b>28,047</b>	<b>28,959</b>
<b>LIABILITIES</b>		
Creditors	(609)	(380)
Distribution payable on income shares	-	(17)
<b>Total liabilities</b>	<b>(609)</b>	<b>(397)</b>
<b>Net assets attributable to shareholders</b>	<b>27,438</b>	<b>28,562</b>

## Statement of change in net assets attributable to shareholders

(Unaudited)

For the six months ending 31 July

	2012	2011
	£'000	£'000
<b>Opening net assets attributable to shareholders</b>	<b>28,562</b>	<b>23,566</b>
Amounts receivable on issue of shares	3,204	9,212
Amounts payable on cancellation of shares	(3,517)	(1,472)
	(313)	7,740
Change in net assets attributable to shareholders from investment activities (see above)	(809)	(716)
Stamp duty reserve tax	(2)	-
<b>Closing net assets attributable to shareholders</b>	<b>27,438</b>	<b>30,590</b>

As the comparatives in the above table are for the previous interim period, the net assets at the end of that period will not agree to the net assets at the start of the current period.

# JPM Europe Dynamic (ex-UK) Fund

## Investment objective and policy

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

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

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

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

## Risk profile

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

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

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

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

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

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

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

## Fund review

European stock markets ended the review period slightly lower as Eurozone debt worries and weak regional and global economic data contributed to continued volatility.

The Fund, which has a best ideas approach to investing in attractively valued, high quality stocks with positive momentum, delivered a positive return and outperformed its benchmark. Positive contributors to relative returns included stock selection and underweight positions in the oil & gas producers, industrial engineering and fixed line telecoms sectors. Stock selection in chemicals and an underweight in food producers detracted.

At the stock level, the Fund benefited from its overweight position in Wartsila, the Finnish manufacturer of ship engines, which reported strong first-quarter order growth and issued a positive full-year outlook. An underweight position in Telefonica was also positive for relative returns as the Spanish telecoms operator suffered on Spanish macro concerns and worries over increasing competition in its Latin American markets. The most significant stock-level detractor from relative returns was an underweight position in food producer Nestle, which was sought for its defensive qualities against a backdrop of market volatility. An overweight position in USG People was also detrimental as a revenue slowdown at the Dutch staffing company gave rise to concerns that the ongoing Eurozone crisis was weighing on demand. However, the Fund was boosted by its overweight position in Gemalto, the maker of card technology, which rose on expectations of significant demand growth as US financial institutions begin issuing chip-and-PIN cards to their customers.

## Fund outlook

European markets are likely to remain volatile as a result of continued sovereign debt concerns and regional and global economic weakness. However, any further progress towards a resolution of the debt crisis could lead to a sharp improvement in investor confidence.

## 12 month performance to 31 July

	2012	2011	2010	2009	2008
<b>JPM Europe Dynamic (ex-UK)</b>					
A-Class Acc	-12.0%	18.5%	14.0%	-17.9%	-10.6%
<b>JPM Europe Dynamic (ex-UK)</b>					
B-Class Acc	-11.5%	19.1%	14.9%	-17.7%	-
Benchmark Index <sup>a</sup>	-13.7%	11.6%	11.2%	-10.4%	-8.0%
<b>JPM Europe Dynamic (ex-UK)</b>					
A-Class Acc (GBP Hedged)	-0.5%	-	-	-	-
Hedged Benchmark Index	-3.0%	-	-	-	-

## Six month performance to 31 July 2012

<b>JPM Europe Dynamic (ex-UK) A-Class Acc</b>	<b>0.8%</b>
Benchmark Index <sup>a</sup>	-1.8%
<b>JPM Europe Dynamic (ex-UK) A-Class Acc (GBP Hedged)</b>	<b>6.8%</b>
Hedged Benchmark Index	3.3%

You should remember that past performance is not a guide to the future. The price of investments and the income from them may fall as well as rise and investors may not get back the full amount invested. For specific risks, including the risk and reward profile, please refer to the Key Investor Information Document (KIID).

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

Source: J.P. Morgan.

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

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## Fund statistics

Risk and Reward Profile	7
Fund size	£73.5m
Benchmark Index <sup>a</sup>	FTSE All-World Developed Europe ex UK Index (Net)
Hedged Benchmark Index	FTSE All-World Developed Europe ex UK Index (Net) hedged to GBP
Fund charges	
A-Class	Initial 4.25%, Annual 1.50%
B-Class	Initial Nil, Annual 1.00%

## Top ten holdings

	%
Sanofi	5.2
Roche (Genusscheine)	4.2
Novo-Nordisk 'B'	3.6
Anheuser-Busch InBev	3.4
AXA	3.1
SAP	2.9
Nestle	2.7
BASF	2.6
Aegon	2.3
Dassault Systemes	2.1

## Geographical breakdown

	%
Germany	26.2
France	16.1
Switzerland	12.3
Sweden	7.8
Netherlands	7.2
Denmark	6.8
Spain	6.3
Norway	5.2
Italy	3.7
Belgium	3.4
United Kingdom	1.8
Austria	1.5
Finland	1.4
Forward currency contracts	0.0
Net other assets	0.3

The forward exchange contracts are only entered into by A-Class Accumulation GBP Hedged Shares.

## Highest/lowest share price and distribution record

Calendar year	Highest share price	Lowest share price	Distribution per share (net)
<b>A-Class Accumulation Shares</b>			
2007	117.6p	96.30p	0.49p
2008	116.8p	68.10p	1.01p
2009	103.3p	62.69p	1.76p
2010	113.6p	86.16p	1.22p
2011	121.5p	84.53p	0.67p
2012 <sup>b</sup>	104.7p	90.60p	1.49p
<b>A-Class Accumulation GBP Hedged Shares<sup>c</sup></b>			
2010	109.3p	91.67p	-
2011	112.7p	80.65p	0.00p
2012 <sup>b</sup>	104.6p	92.84p	1.40p
<b>A-Class Income Shares<sup>d</sup></b>			
2007	59.39p	48.63p	-
2008	59.00p	34.03p	0.50p
2009	50.44p	30.62p	0.90p
2010	54.82p	41.59p	0.52p
2011	58.32p	40.57p	0.32p
2012 <sup>b</sup>	49.44p	42.79p	0.73p
<b>B-Class Accumulation Shares<sup>e</sup></b>			
2007	100.0p	92.48p	-
2008	99.73p	58.31p	0.14p
2009	88.75p	53.74p	1.87p
2010	98.38p	74.44p	1.51p
2011	105.5p	73.51p	1.04p
2012 <sup>b</sup>	91.30p	79.10p	1.78p
<b>B-Class Income Shares<sup>f</sup></b>			
2008	105.8p	63.29p	-
2009	94.68p	57.34p	1.21p
2010	103.0p	77.95p	1.54p
2011	109.3p	76.17p	1.09p
2012 <sup>b</sup>	92.61p	80.24p	1.85p

<sup>a</sup> To 31 July 2012.

<sup>c</sup> A-Class Accumulation GBP Hedged Shares were launched on 1 September 2010.

<sup>d</sup> A-Class Income Shares were launched on 2 January 2007.

<sup>e</sup> B-Class Accumulation Shares were launched on 2 November 2007.

<sup>f</sup> B-Class Income Shares were launched on 24 April 2008.

## Portfolio turnover rate

31.01.12	694.8%
31.07.12	265.3%

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

## Net asset values and Ongoing charges

Date	Net asset value per share class £'000	Number of shares	Net asset value per share	Ongoing charges
<b>A-Class Accumulation Shares</b>				
31.01.10	128,028	136,691,403	93.66p	1.68%
31.01.11	131,877	115,968,819	113.7p	1.68%
31.01.12	78,536	81,833,122	95.97p	1.68%
31.07.12	61,614	63,753,817	96.64p	1.68%
<b>A-Class Accumulation GBP Hedged Shares</b>				
31.01.11	8,796	8,057,328	109.2p	1.68%
31.01.12	10,001	10,460,568	95.61p	1.68%
31.07.12	10,225	10,022,047	102.0p	1.68%
<b>A-Class Income Shares</b>				
31.01.10 <sup>6</sup>	1,295	2,864,839	45.21p	1.68%
31.01.11 <sup>6</sup>	2,639	4,836,095	54.57p	1.68%
31.01.12 <sup>6</sup>	3,015	6,650,123	45.33p	1.68%
31.07.12	1,471	3,222,677	45.65p	1.68%
<b>B-Class Accumulation Shares</b>				
31.01.10	2,077	2,571,913	80.74p	1.15%
31.01.11	2,573	2,610,271	98.56p	1.15%
31.01.12	834	997,802	83.64p	1.15%
31.07.12	199	235,510	84.41p	1.15%
<b>B-Class Income Shares</b>				
31.01.10 <sup>6</sup>	10	12,000	84.55p	1.15%
31.01.11 <sup>6</sup>	10	10,000	102.1p	1.15%
31.01.12 <sup>6</sup>	6	7,000	84.84p	1.15%
31.07.12	5	6,000	85.67p	1.15%

<sup>6</sup> The net asset value and the net asset value per income share are shown ex-dividend at the financial year end.

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 and any fixed 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 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 31 July 2012

Investment	Holding	Market value £'000	Total net assets %
<b>Germany - 26.2% (26.2%)</b>			
Allianz	15,183	972	1.3
BASF	40,227	1,902	2.6
Bayer	13,528	664	0.9
Cancom	60,447	705	1.0
Carl Zeiss Meditec	25,126	391	0.5
Continental	15,195	887	1.2
Deutsche Bank	22,633	437	0.6
Deutsche Telekom	72,207	521	0.7
Deutsche Wohnen	80,562	867	1.2
Draegerwerk Non-Voting Preference	14,633	904	1.2
E.ON	52,476	715	1.0
Freenet	78,926	740	1.0
GSW Immobilien	36,022	845	1.2
Hannover Rueckversicherungs	15,352	591	0.8
Linde	2,917	278	0.4
ProSiebenSat.1 Media Preference	28,973	389	0.5
RWE 'A'	40,080	1,009	1.4
SAP	51,762	2,112	2.9
Sartorius Non-Voting Preference	16,392	736	1.0
Siemens	11,532	623	0.8
Suedzucker	43,484	949	1.3
TAG Immobilien	242,277	1,481	2.0
Volkswagen Non-Voting Preference	4,628	508	0.7
<b>France - 16.1% (23.5%)</b>			
AXA	283,896	2,241	3.1
Dassault Systemes	24,601	1,536	2.1
Eurofins Scientific	9,698	804	1.1
Lafarge	24,326	724	1.0
Publicis Groupe	28,455	901	1.2
Remy Cointreau	7,110	534	0.7
Sanofi	73,232	3,827	5.2
Sodexo	17,209	835	1.1
Zodiac Aerospace	6,645	417	0.6
<b>Switzerland - 12.3% (16.8%)</b>			
Compagnie Financiere Richemont 'A'	6,369	234	0.3
Credit Suisse	32,580	353	0.5
Implenla	45,217	906	1.2
Nestle	50,044	1,954	2.7
Roche (Genusscheine)	27,508	3,109	4.2
Swiss Re	30,878	1,236	1.7
Tamedia	4,241	271	0.4
UBS	27,394	185	0.3
Zurich Financial Services	5,027	717	1.0
<b>Sweden - 7.8% (7.5%)</b>			
Africa Oil	67,766	323	0.4
Billerud	83,684	480	0.7
Byggham	26,666	82	0.1
Hexpol 'B'	17,906	408	0.6
Intrum Justitia	38,502	346	0.5
NCC 'B'	55,638	671	0.9
Svenska Handelsbanken 'A'	35,922	794	1.1
Swedbank 'A'	48,802	539	0.7
Swedish Match	46,872	1,252	1.7
Trelleborg 'B'	119,176	781	1.1
<b>Netherlands - 7.2% (3.9%)</b>			
Aegon	582,704	1,705	2.3
ASML	27,338	1,021	1.4
European Aeronautic Defence & Space	31,539	735	1.0
Gemalto	14,220	687	0.9
ING Bank	127,512	542	0.7
USG People	57,992	247	0.3
Ziggo	24,479	460	0.6
<b>Denmark - 6.8% (3.5%)</b>			
Chr. Hansen	44,225	796	1.1
Coloplast 'B'	52	6	-
Novo-Nordisk 'B'	26,801	2,635	3.6
Royal Unibrew	23,687	952	1.3
Topdanmark	5,425	593	0.8

Investment	Holding	Market value £'000	Total net assets %
<b>Spain - 6.3% (4.5%)</b>			
Banco Bilbao Vizcaya Argentaria	73,951	313	0.4
Banco Santander	102,233	34	-
Banco Santander RFD	8,551	403	0.6
Grifols 'A'	37,264	745	1.0
Grifols 'B'	52,356	757	1.0
Industria de Diseno Textil	9,033	620	0.8
Repsol YPF	100,518	1,058	1.4
Tecnicas Reunidas	5,419	145	0.2
Telefonica	28,209	207	0.3
Viscofan	15,107	446	0.6
<b>Norway - 5.2% (4.0%)</b>			
Awilco LNG	100,469	255	0.3
Fred Olsen Energy	21,168	514	0.7
Hoegh LNG	41,036	200	0.3
Marine Harvest	790,975	339	0.5
Q-Free	8,142	19	-
TTS Group	301,145	537	0.7
Wilh. Wilhelmsen	114,501	499	0.7
Yara International	48,224	1,458	2.0
<b>Italy - 3.7% (2.5%)</b>			
Azimut	93,256	560	0.8
Banca Generali	122,781	885	1.2
Enel	305,337	559	0.8
Saipem	7,552	222	0.3
Telecom Italia	900,965	471	0.6
<b>Belgium - 3.4% (1.8%)</b>			
Anheuser-Busch InBev	50,322	2,502	3.4
<b>United Kingdom - 1.8% (2.8%)</b>			
Berkeley Group	23,866	328	0.4
British American Tobacco	19,690	673	0.9
Persimmon	56,147	346	0.5
<b>Austria - 1.5% (1.0%)</b>			
Kapsch TrafficCom	23,525	1,094	1.5
<b>Finland - 1.4% (2.7%)</b>			
Outokumpu 'A'	645,826	374	0.5
Uponor	103,346	680	0.9
<b>Investment assets before share class level assets</b>		<b>73,308</b>	<b>99.7</b>
<b>Forward currency contracts A-Class Accumulation</b>			
<b>GBP Hedged shares - 0.0% ((0.1%))</b>			
<b>Danish Krone</b>			
Sell DKK 5,620,167 buy €755,804 dated 23/08/12		-	-
Sell DKK 589,321 buy €61,850 dated 23/08/12		-	-
Sell DKK 410,800 buy €43,710 dated 23/08/12		-	-
<b>Euro</b>			
Buy €67,252 sell £53,233 dated 23/08/12		-	-
Sell €12,284,131 buy £9,647,542 dated 23/08/12		27	-
Sell €338,763 buy £264,378 dated 23/08/12		(1)	-
<b>Norwegian Krone</b>			
Sell NOK 1,487,419 buy €200,870 dated 23/08/12		-	-
Sell NOK 3,296,089 buy €441,178 dated 23/08/12		(2)	-
Sell NOK 388,310 buy £40,715 dated 23/08/12		-	-
<b>Swedish Krona</b>			
Sell SEK 8,236,046 buy €954,342 dated 23/08/12		(24)	-
Sell SEK 502,506 buy £45,562 dated 23/08/12		(1)	-
<b>Swiss Franc</b>			
Buy CHF 75,175 sell £49,538 dated 23/08/12		-	-
Buy CHF 84,270 sell £54,663 dated 23/08/12		-	-
Sell CHF 2,183,824 buy £1,818,504 dated 23/08/12		-	-
<b>Investment assets (including investment liabilities)</b>		<b>73,307</b>	<b>99.7</b>
<b>Net other assets</b>		<b>207</b>	<b>0.3</b>
<b>Net assets</b>		<b>73,514</b>	<b>100.0</b>

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

The comparative percentage figures in brackets are at 31 January 2012.

## Portfolio movements

For the six months ending 31 July 2012

	£'000		£'000
<b>Total of all purchases for the period</b>	<b>160,562</b>	<b>Total of all sales for the period</b>	<b>178,811</b>
<b>Major purchases</b>	<b>Cost</b>	<b>Major sales</b>	<b>Proceeds</b>
JPM Euro Liquidity 'X' (Income)^	38,070	JPM Euro Liquidity 'X' (Income)^	38,542
SAP	3,601	BNP Paribas	3,982
BNP Paribas	3,055	BMW	3,633
Roche (Genusscheine)	2,999	SAP	3,507
Aegon	2,693	TOTAL S.A.	3,462
BASF	2,107	Banco Santander Rights 2012	3,420
BMW	2,098	Nestle	3,389
Novo-Nordisk 'B'	2,094	Volkswagen Non-Voting Preference	3,330
Nestle	2,090	Roche (Genusscheine)	3,185
Wartsila 'B'	1,977	LVMH	2,349
Salvatore Ferragamo	1,946	Aegon	2,155
Volkswagen Non-Voting Preference	1,944	Salvatore Ferragamo	2,084
AXA	1,826	Novartis	2,041
Lanxess	1,799	Linde	1,989
Kapsch TrafficCom	1,695	Arkema	1,973
Dassault Systemes	1,630	Wartsila 'B'	1,967
Publicis Groupe	1,619	Africa Oil	1,838
Bygghmax	1,594	Fresenius	1,836
TAG Immobilien	1,568	Outotec	1,802
Aurubis	1,563	Deutsche Bank	1,801

^ Deemed to be investment in related parties of the ACD

# Financial statements

## Statement of total return

(Unaudited)

For the six months ending 31 July

	£'000	2012 £'000	£'000	2011 £'000
Income				
Net capital losses		(941)		(7,150)
Revenue	2,509		3,531	
Expenses	(708)		(1,102)	
Net revenue before taxation	1,801		2,429	
Taxation	(41)		(368)	
Net revenue after taxation		1,760		2,061
<b>Total return before distributions</b>		<b>819</b>		<b>(5,089)</b>
Finance costs: Distributions		(244)		(10)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>575</b>		<b>(5,099)</b>

## Statement of change in net assets attributable to shareholders

(Unaudited)

For the six months ending 31 July

	£'000	2012 £'000	£'000	2011 £'000
<b>Opening net assets attributable to shareholders</b>		<b>92,392</b>		<b>145,895</b>
Amounts receivable on issue of shares	2,179		9,887	
Amounts payable on cancellation of shares	(21,631)		(25,396)	
		(19,452)		(15,509)
Change in net assets attributable to shareholders from investment activities (see above)		575		(5,099)
Stamp duty reserve tax		(1)		-
<b>Closing net assets attributable to shareholders</b>		<b>73,514</b>		<b>125,287</b>

As the comparatives in the above table are for the previous interim period, the net assets at the end of that period will not agree to the net assets at the start of the current period.

## Balance sheet

(Unaudited)

As at

	31 July 2012		31 January 2012	
	£'000	£'000	£'000	£'000
<b>ASSETS</b>				
Investment assets		73,335		93,580
Debtors	3,994		337	
Cash and Bank Balances	3,934		525	
<b>Total other assets</b>		<b>7,928</b>		<b>862</b>
<b>Total assets</b>		<b>81,263</b>		<b>94,442</b>
<b>LIABILITIES</b>				
Investment liabilities		(28)		(77)
Creditors	(7,721)		(1,924)	
Distribution payable on income shares	-		(49)	
<b>Total other liabilities</b>		<b>(7,721)</b>		<b>(1,973)</b>
<b>Total liabilities</b>		<b>(7,749)</b>		<b>(2,050)</b>
<b>Net assets attributable to shareholders</b>		<b>73,514</b>		<b>92,392</b>

# JPM Europe Fund

## Investment objective and policy

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

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

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

## Risk profile

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

The value of Equity and Equity-Linked Securities may fluctuate in response to the performance of individual companies and general market conditions. Movements in currency exchange rates can adversely affect the return of your investment.

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

## Fund review

European stock markets ended the review period slightly lower as eurozone debt worries and weak regional and global economic data contributed to continued volatility.

The Fund, which invests in attractively valued, high quality stocks with positive momentum, fell over the period but outperformed its benchmark. Positive contributors to relative returns included stock selection and an underweight position in the banks sector and stock selection in nonlife insurance. Stock selection and an underweight in chemicals detracted, as did an overweight in oil & gas producers.

At the stock level, the Fund benefited in relative terms from an overweight position in Swedish lender Swedbank, which was sought by investors for its strong earnings visibility and lack of exposure to the European periphery. An overweight position in Hannover Rueckversicherungs was also positive after the reinsurer reported higher-than-expected first-quarter earnings on strong underwriting performance and investment gains. The most significant stock-level detractor from relative returns was an overweight position in Repsol YPF. The oil producer fell after the Argentinean government seized control of its local unit, YPF. An overweight position in Arkema was also detrimental as the chemicals producer was hurt by concerns over the cyclical nature of its earnings and by signs of a deterioration in margins. However, the Fund was boosted by its overweight position in Zodiac Aerospace, the maker of airline safety systems and cabin interiors, which reported a rise in fiscal first-half net income as production increases at Airbus and Boeing drove revenue growth.

## Fund outlook

European markets are likely to remain volatile as a result of continued sovereign debt concerns and economic weakness. However, any further progress towards a resolution of the debt crisis could lead to a sharp improvement in investor confidence.

## 12 month performance to 31 July

	2012	2011	2010	2009	2008
<b>JPM Europe A-Class Acc</b>	<b>-11.7%</b>	<b>12.3%</b>	<b>8.9%</b>	<b>-15.2%</b>	<b>-6.9%</b>
<b>JPM Europe B-Class Acc</b>	<b>-11.4%</b>	<b>12.9%</b>	<b>9.6%</b>	<b>-15.0%</b>	-
<b>JPM Europe C-Class Inc</b>	<b>-10.9%</b>	<b>13.1%</b>	<b>10.0%</b>	<b>-12.4%</b>	-
<b>JPM Europe I-Class Acc<sup>A</sup></b>	-	-	-	-	-
<b>JPM Europe X-Class Inc<sup>A</sup></b>	-	-	-	-	-
Benchmark Index <sup>B</sup>	-13.7%	11.6%	11.2%	-10.4%	-8.0%

## Six month performance to 31 July 2012

<b>JPM Europe A-Class Acc</b>	<b>-1.4%</b>
Benchmark Index <sup>B</sup>	-1.8%

## Fund statistics

Risk and Reward Profile	7
Fund size	£185.8m
Benchmark Index <sup>B</sup>	FTSE All-World Developed Europe ex UK 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 0.60%
X-Class	On application <sup>C</sup>

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).

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

Source: J.P. Morgan.

<sup>A</sup> The launch of this share class occurred less than 12 months ago and as a result no performance return is reported.

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

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

Source: FTSE International Limited ("FTSE") © FTSE 2012. "FTSE" is a trade mark of London Stock Exchange Plc and The Financial Times Limited and is used by FTSE International Limited under licence. All rights in the FTSE indices and/or FTSE ratings vest in FTSE and/or its licensors. Neither FTSE nor its licensors accept any liability for any errors or omissions in the FTSE indices and/or FTSE ratings or underlying data. No further distribution of FTSE Data is permitted without FTSE's express written consent.

## Top ten holdings (excluding Liquidity funds) %

Novartis	4.1
Nestle	4.1
Roche (Genusscheine)	3.9
Sanofi	3.2
TOTAL S.A.	3.0
Anheuser-Busch InBev	2.7
SAP	2.4
Novo-Nordisk 'B'	2.3
ENI	2.2
Zurich Financial Services	2.2

## Geographical breakdown %

Switzerland	21.1
Germany	20.0
France	18.3
Sweden	8.8
Netherlands	6.4
Italy	5.1
Spain	4.4
Denmark	4.3
Finland	4.2
Belgium	4.1
Norway	2.4
Austria	0.8
Liquidity funds	0.3
Net other liabilities	(0.2)

## Highest/lowest share price and distribution record

Calendar year	Highest share price	Lowest share price	Distribution per share (net)
<b>A-Class Accumulation Shares</b>			
2007	839.7p	698.8p	3.31p
2008	844.8p	510.1p	7.29p
2009	770.6p	473.4p	15.72p
2010	793.6p	624.6p	9.93p
2011	837.1p	589.1p	7.26p
2012 <sup>d</sup>	725.9p	614.9p	9.52p
<b>A-Class Income Shares<sup>e</sup></b>			
2007	53.92p	48.55p	-
2008	54.25p	32.74p	0.00p
2009	48.17p	29.60p	0.98p
2010	48.91p	38.49p	0.61p
2011	51.12p	35.97p	0.44p
2012 <sup>d</sup>	43.71p	37.03p	0.57p
<b>B-Class Accumulation Shares<sup>f</sup></b>			
2008	107.4p	65.54p	-
2009	99.42p	60.90p	2.07p
2010	103.0p	80.89p	1.70p
2011	108.9p	76.80p	1.43p
2012 <sup>d</sup>	94.86p	80.45p	1.73p
<b>C-Class Accumulation Shares<sup>g</sup></b>			
2011	105.9p	75.34p	-
2012 <sup>d</sup>	93.18p	79.06p	0.30p
<b>C-Class Income Shares<sup>f</sup></b>			
2008	113.8p	69.54p	-
2009	108.8p	65.39p	0.00p
2010	110.6p	86.72p	2.19p
2011	115.0p	81.18p	1.93p
2012 <sup>d</sup>	98.19p	83.31p	2.09p
<b>I-Class Accumulation Shares<sup>h</sup></b>			
2012 <sup>d</sup>	311.5p	264.5p	-
<b>X-Class Income Shares<sup>h</sup></b>			
2012 <sup>d</sup>	254.0p	215.9p	-

<sup>d</sup> To 31 July 2012.

<sup>e</sup> A-Class Income Shares were launched on 1 September 2007.

<sup>f</sup> B-Class Accumulation and C-Class Income Shares were launched on 14 April 2008.

<sup>g</sup> C-Class Accumulation Shares were launched on 27 June 2011.

<sup>h</sup> I-Class Accumulation Shares and X-Class Income Shares were launched on 2 February 2012.

## Portfolio turnover rate

31.01.12	484.1%
31.07.12	136.9%

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

## Net asset values and Ongoing charges

Date	Net asset value per share class £'000	Number of shares	Net asset value per share	Ongoing charges
<b>A-Class Accumulation Shares</b>				
31.01.10	286,965	42,326,548	678.0p	1.67%
31.01.11	232,652	29,565,686	786.9p	1.68%
31.01.12	158,609	23,386,955	678.2p	1.66%
31.07.12	137,276	20,482,554	670.2p	1.68%
<b>A-Class Income Shares</b>				
31.01.10 <sup>1</sup>	1,680	4,021,780	41.78p	1.68%
31.01.11 <sup>1</sup>	1,629	3,390,254	48.05p	1.68%
31.01.12 <sup>1</sup>	1,386	3,394,415	40.84p	1.68%
31.07.12	1,153	2,856,026	40.36p	1.68%
<b>B-Class Accumulation Shares</b>				
31.01.10	2,858	3,262,022	87.60p	1.15%
31.01.11	2,666	2,608,523	102.2p	1.15%
31.01.12	1,973	2,226,974	88.57p	1.13%
31.07.12	110	125,581	87.63p	1.15%
<b>C-Class Accumulation Shares</b>				
31.01.12	501	575,742	86.98p	0.87%
31.07.12	330	382,448	86.30p	0.87%
<b>C-Class Income Shares</b>				
31.01.10 <sup>1</sup>	313	333,963	93.81p	0.87%
31.01.11 <sup>1</sup>	91	83,863	107.9p	0.87%
31.01.12 <sup>1</sup>	75	81,711	91.64p	0.87%
31.07.12	51	56,511	90.94p	0.87%
<b>I-Class Accumulation Shares</b>				
31.07.12	43,225	14,966,204	288.8p	0.60%
<b>X-Class Income Shares</b>				
31.07.12	3,682	1,560,975	235.9p	0.06%

<sup>1</sup> The net asset value and the net asset value per income share are shown ex-dividend at the financial year end.

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 and any fixed 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 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 31 July 2012

Investment	Holding	Market value		Total net assets %
		£'000		
<b>Switzerland - 21.1% (16.8%)</b>				
Adecco	28,588	811	0.4	
Aryzta	46,069	1,449	0.8	
Burckhardt Compression	1,146	185	0.1	
Compagnie Financiere Richemont 'A'	93,048	3,420	1.8	
Forbo	2,062	747	0.4	
Implenia	5,495	110	0.1	
Inficon	865	107	0.1	
Nestle	196,613	7,675	4.1	
Novartis	206,882	7,719	4.1	
Oerlikon Corporation	265,065	1,363	0.7	
Rieter	1,856	156	0.1	
Roche (Genusscheine)	63,489	7,175	3.9	
Swiss Re	72,026	2,882	1.5	
Syngenta	5,811	1,267	0.7	
Valora	933	100	0.1	
Zurich Financial Services	28,099	4,011	2.2	
<b>Germany - 20.0% (18.7%)</b>				
Adva Optical Networking	15,837	62	-	
Amadeus Fire	3,336	90	0.1	
Aurubis	18,531	605	0.3	
BASF	72,638	3,434	1.9	
Bayer	12,127	595	0.3	
Bechtle	8,281	206	0.1	
Billfinger Berger	36,897	1,947	1.0	
Cancom	9,831	115	0.1	
Continental	4,664	272	0.1	
Daimler	48,381	1,542	0.8	
Deutsche Bank	23,075	446	0.2	
Deutsche Boerse	17,214	552	0.3	
Deutsche Post	298,750	3,431	1.9	
Draegerwerk Non-Voting Preference	2,423	150	0.1	
Drillisch	63,309	383	0.2	
Duerr	24,860	1,080	0.6	
E.ON	247,531	3,375	1.8	
Freenet	164,057	1,538	0.8	
Hannover Rueckversicherungs	55,820	2,148	1.2	
Jungheinrich Non-Voting Preference	7,256	126	0.1	
Kabel Deutschland	8,005	320	0.2	
Leoni	21,897	519	0.3	
MTU Aero Engines	2,236	108	0.1	
MunichRe	13,989	1,276	0.7	
ProSiebenSat.1 Media Preference	44,701	600	0.3	
Rheinmetall	11,793	381	0.2	
RWE 'A'	100,643	2,534	1.4	
SAP	109,397	4,464	2.4	
Schuler	16,056	251	0.1	
Siemens	18,694	1,010	0.5	
Suedzucker	40,901	893	0.5	
TUI Travel	185,829	759	0.4	
Volkswagen Non-Voting Preference	17,281	1,895	1.0	
<b>France - 18.3% (19.3%)</b>				
AKKA Technologies	7,740	144	0.1	
Alstom	19,951	426	0.2	
Altran Technologies	46,889	143	0.1	
Atos	6,505	233	0.1	
AXA	206,391	1,629	0.9	
BIC	16,604	1,061	0.6	
BNP Paribas	115,276	2,818	1.5	
Bouygues	45,984	747	0.4	
Cap Gemini	6,176	146	0.1	
CFAO	6,916	206	0.1	
Christian Dior	5,028	448	0.2	
Eiffage	48,614	813	0.4	
Groupe Steria	11,100	92	0.1	
Havas	98,880	304	0.2	
Hermes International	966	168	0.1	
Imerys	18,710	600	0.3	
Lafarge	27,430	816	0.4	
Lagardere Group	31,291	543	0.3	
Michelin	30,728	1,346	0.7	
Pernod-Ricard	3,481	239	0.1	
Plastic-Omnium	22,725	394	0.2	
PPR	8,152	783	0.4	
Publicis Groupe	32,279	1,022	0.6	
Remy Cointreau	5,273	396	0.2	
Renault	19,192	539	0.3	
Rexel	66,911	721	0.4	
Sanofi	111,875	5,846	3.2	
Societe Generale	17,070	248	0.1	
Sodexo	9,760	473	0.3	
Teleperformance	25,517	402	0.2	

Investment	Holding	Market value		Total net assets %
		£'000		
Thales	25,646	508	0.3	
TOTAL S.A.	189,031	5,617	3.0	
Valeo	31,246	862	0.5	
Vivendi	111,999	1,363	0.7	
Zodiac Aerospace	29,558	1,856	1.0	
<b>Sweden - 8.8% (9.9%)</b>				
Betsson 'B'	23,835	437	0.2	
Bilia 'A'	23,516	177	0.1	
Billerud	38,429	220	0.1	
Boliden	80,486	781	0.4	
Fastighets Balder	53,134	156	0.1	
Haldex	60,877	170	0.1	
Hexpol 'B'	10,242	233	0.1	
Hoganas 'B'	6,014	125	0.1	
JM	58,499	708	0.4	
Kinnevik Investment 'B'	31,907	419	0.2	
NCC 'B'	90,790	1,094	0.6	
Nordea Bank	86,722	518	0.3	
Saab 'B'	28,943	308	0.2	
Skandinaviska Enskilda Banken 'A'	731,014	3,421	1.8	
Svenska Handelsbanken 'A'	126,180	2,790	1.5	
Swedbank 'A'	279,024	3,081	1.7	
Swedish Match	27,557	736	0.4	
Trelleborg 'B'	104,982	688	0.3	
Unibet SDR	15,741	245	0.1	
Volvo 'B'	15,950	126	0.1	
<b>Netherlands - 6.4% (6.2%)</b>				
Ahold	435,899	3,377	1.8	
ASML	9,212	344	0.2	
BAM Groep	190,659	318	0.2	
Brunel	6,392	155	0.1	
DSM	7,918	251	0.1	
Eurocommercial Properties	15,815	345	0.2	
European Aeronautic Defence & Space	87,849	2,048	1.1	
Gemalto	12,725	615	0.3	
ING Bank	253,350	1,076	0.6	
KPN	100,837	523	0.3	
Nutreco	26,252	1,213	0.6	
PostNL	180,212	467	0.2	
Royal Imtech	19,325	318	0.2	
Unilever	21,934	485	0.3	
Ziggo	20,469	384	0.2	
<b>Italy - 5.1% (5.8%)</b>				
Astaldi	68,701	259	0.1	
Autostrada Torino-Milano	23,594	98	0.1	
Azimut	115,188	691	0.4	
Danieli & C	15,518	209	0.1	
De Longhi	10,795	76	-	
Enel	479,490	879	0.5	
ENI	312,400	4,186	2.2	
EXOR	20,217	290	0.2	
Fiat	37,851	238	0.1	
Lottomatica	60,480	768	0.4	
Mediolanum	93,296	199	0.1	
Pirelli	41,567	270	0.1	
Telecom Italia	2,675,987	1,398	0.8	
<b>Spain - 4.4% (6.5%)</b>				
Amadeus IT	27,788	381	0.2	
Banco Bilbao Vizcaya Argentaria	198,843	841	0.5	
Banco Santander	333,125	1,312	0.7	
Construcciones y Auxiliar de Ferrocarriles	1,488	429	0.2	
Corporacion Financiera Alba	10,728	226	0.1	
Distribuidora Internacional de Alimentación	47,335	149	0.1	
Ferrovial	233,572	1,619	0.9	
Gas Natural	100,374	798	0.4	
Jazztel	38,197	128	0.1	
Repsol YPF	41,289	435	0.2	
Tecnicas Reunidas	25,325	680	0.4	
Telefonica	118,318	869	0.5	
Viscofan	7,476	221	0.1	
<b>Denmark - 4.3% (2.9%)</b>				
AP Moller-Maersk 'B'	162	711	0.4	
Chr. Hansen	28,435	512	0.3	
Coloplast 'B'	13,600	1,645	0.9	
DSV	21,395	289	0.1	
Novo-Nordisk 'B'	44,646	4,389	2.3	
Royal Unibrew	4,151	167	0.1	
SimCorp	1,418	147	0.1	
TDC	27,960	122	0.1	

## Portfolio statement – continued

As at 31 July 2012

Investment	Holding	Market value £'000	Total net assets %
<b>Finland – 4.2% (4.4%)</b>			
Amer Sports 'A'	14,166	102	0.1
Elisa	87,356	1,162	0.6
Huhtamaki 'A'	47,111	453	0.2
Kone 'B'	14,857	587	0.3
Metso	41,138	974	0.5
Orion 'B'	47,696	608	0.3
Outotec	1,893	57	-
PKC Group	9,377	92	0.1
Pohjola Bank 'A'	106,500	798	0.4
Ramirent	21,617	106	0.1
Sampo 'A'	14,748	252	0.1
Sponda	41,940	109	0.1
Stora Enso 'R'	436,933	1,601	0.9
Tieto	36,603	396	0.2
Wartsila	13,627	262	0.2
YIT	14,299	165	0.1
<b>Belgium – 4.1% (2.8%)</b>			
Ackermans & Van Haaren	6,427	317	0.2
Ageas	338,288	433	0.2
Ageas VVPR Strips	61,400	-	-
Anheuser-Busch InBev	100,138	4,978	2.7
Barco	8,004	290	0.2
Belgacom	43,443	800	0.4
GBL	10,953	462	0.2
Kinepolis Group	2,328	127	0.1
Umicore	9,858	275	0.1
<b>Norway – 2.4% (3.3%)</b>			
Aker Solutions	62,959	594	0.3
Cermaq	36,116	271	0.1
Fred Olsen Energy	24,873	604	0.3
Golden Ocean	386,673	182	0.1
Statoil	84,296	1,290	0.7
Telenor	26,094	283	0.2
TGS Nopec Geophysical	13,855	260	0.1
Yara International	34,800	1,052	0.6
<b>Austria – 0.8% (0.6%)</b>			
Oesterreichische Post	10,715	214	0.1
OMV	31,885	640	0.4
Raiffeisen International Bank	6,077	125	0.1
RHI	17,608	248	0.1
Voestalpine	15,685	268	0.1
<b>Liquidity funds – 0.3% (2.3%)</b>			
JPM Euro Liquidity 'X' (Income)^\$	653,399	512	0.3
<b>Investment assets</b>		<b>186,168</b>	<b>100.2</b>
<b>Net other liabilities</b>		<b>(341)</b>	<b>(0.2)</b>
<b>Net assets</b>		<b>185,827</b>	<b>100.0</b>

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

The comparative percentage figures in brackets are at 31 January 2012.

^ Deemed to be investment in related parties of the ACD

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

## Portfolio movements

For the six months ending 31 July 2012

	£'000		£'000
<b>Total of all purchases for the period</b>	<b>167,318</b>	<b>Total of all sales for the period</b>	<b>136,965</b>
<b>Major purchases</b>	<b>Cost</b>	<b>Major sales</b>	<b>Proceeds</b>
JPM Euro Liquidity 'X' (Income)^	22,719	JPM Euro Liquidity 'X' (Income)^	25,742
TOTAL S.A.	4,653	Unilever	3,315
E.ON	4,030	BASF	3,171
Ahold	3,669	TOTAL S.A.	3,102
Skandinaviska Enskilda Banken 'A'	3,167	Tele2 'B'	2,780
Anheuser-Busch InBev	3,046	Daimler	2,449
Deutsche Post	2,807	Investor 'B'	2,337
BASF	2,806	Boliden	2,256
Zodiac Aerospace	2,688	Industria de Diseno Textil	2,150
Zurich Financial Services	2,319	Sampo 'A'	1,947
Nestle	2,304	LVMH	1,928
Ferrovial	2,277	ING Bank	1,799
Bilfinger Berger	2,232	Repsol Rights 2012	1,762
Stora Enso 'R'	2,189	Statoil	1,729
Novartis	2,047	BMW	1,684
Michelin	1,900	E.ON	1,586
Boliden	1,825	Kone 'B'	1,584
Compagnie Financiere Richemont 'A'	1,812	Davide de Campari	1,545
Roche (Genusscheine)	1,691	Christian Dior	1,465
Renault	1,510	Fresenius	1,458

^ Deemed to be investment in related parties of the ACD

# Financial statements

## Statement of total return

(Unaudited)

For the six months ending 31 July

	2012	2011
	£'000	£'000
Income		
Net capital losses	(6,833)	(10,316)
Revenue	7,131	5,218
Expenses	(1,390)	(1,858)
Net revenue before taxation	5,741	3,360
Taxation	(641)	(459)
Net revenue after taxation	5,100	2,901
<b>Total return before distributions</b>	<b>(1,733)</b>	<b>(7,415)</b>
Finance costs: Distributions	(316)	(157)
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>(2,049)</b>	<b>(7,572)</b>

## Balance sheet

(Unaudited)

As at

	31 July 2012	31 January 2012
	£'000	£'000
<b>ASSETS</b>		
Investment assets	186,168	162,635
Debtors	3,295	251
Cash and bank balances	707	471
<b>Total other assets</b>	<b>4,002</b>	<b>722</b>
<b>Total assets</b>	<b>190,170</b>	<b>163,357</b>
<b>LIABILITIES</b>		
Creditors	(4,343)	(792)
Distribution payable on income shares	-	(21)
<b>Total liabilities</b>	<b>(4,343)</b>	<b>(813)</b>
<b>Net assets attributable to shareholders</b>	<b>185,827</b>	<b>162,544</b>

## Statement of change in net assets attributable to shareholders

(Unaudited)

For the six months ending 31 July

	2012	2011
	£'000	£'000
<b>Opening net assets attributable to shareholders</b>	<b>162,544</b>	<b>237,038</b>
Amounts transferred from JPM Institutional Europe Fund	54,653	-
Amounts receivable on issue of shares	9,515	1,600
Amounts payable on cancellation of shares	(38,835)	(27,076)
	(29,320)	(25,476)
Change in net assets attributable to shareholders from investment activities (see above)	(2,049)	(7,572)
Stamp duty reserve tax	(1)	(1)
<b>Closing net assets attributable to shareholders</b>	<b>185,827</b>	<b>203,989</b>

As the comparatives in the above table are for the previous interim period, the net assets at the end of that period will not agree to the net assets at the start of the current period.

# JPM Global Consumer Trends Fund

## Investment objective and policy

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

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

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

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

## Risk profile

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

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

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

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

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

The Fund will be concentrated in companies benefiting from consumer driven opportunities and, as a result, may be more volatile than more broadly diversified funds.

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

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

## Fund review

The six months under review was a volatile period for global equity markets. The US was the best performing region, with macroeconomic data in February and March particularly supportive for equities, while US housing data beat expectations. The worst performing region was Japan, which suffered from a strengthening yen and weak export data. In Europe, concerns around a potential Greek exit from the euro and the insolvency of the Spanish banking sector weighed on sentiment. However, the president of the European Central

Bank said that policymakers would do 'whatever it takes' to preserve the euro. Emerging markets was one of the worst performing regions despite two interest rate cuts in China.

The Fund delivered a negative return and underperformed global equities. On a regional basis, stock selection in emerging markets and Pacific detracted the most from relative performance, while stock selection in America, Europe and the UK made a positive contribution. At the stock level, the biggest positive contributors to relative returns were Apple, Merck & Co and Veeco Instruments, while our holdings in China Yurun Food Group and Gree were among the largest detractors.

## Fund outlook

Investors continue to hope for a further round of quantitative easing from the US Federal Reserve, but concerns are also mounting over the extent to which stimulus measures can have a long-term impact on economic fundamentals. However, it is difficult to envisage a US recession given the improving housing market, higher disposable incomes and the need for companies to rebuild inventories. In Europe, policymakers appear to be moving in the direction of greater political and fiscal union, but structural reform to stimulate growth is still lacking. Any stabilisation in the eurozone in particular could have a dramatic impact on business and consumer confidence.

## 12 month performance to 31 July

	2012	2011	2010	2009
<b>JPM Global Consumer Trends A-Class Acc</b>	<b>-7.2%</b>	<b>8.3%</b>	<b>27.6%</b>	<b>13.3%</b>
<b>JPM Global Consumer Trends B-Class Inc</b>	<b>-6.8%</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>JPM Global Consumer Trends C-Class Acc</b>	<b>-6.4%</b>	<b>9.2%</b>	<b>-</b>	<b>-</b>
Benchmark Index <sup>a</sup>	2.7%	13.1%	16.3%	-6.3%
Comparator	10.8%	17.4%	21.8%	7.2%

## Six month performance to 31 July 2012

<b>JPM Global Consumer Trends A-Class Acc</b>	<b>-2.1%</b>
Benchmark Index <sup>a</sup>	2.9%
Comparator	8.0%

You should remember that past performance is not a guide to the future. The price of investments and the income from them may fall as well as rise and investors may not get back the full amount invested. For specific risks, including the risk and reward profile, please refer to the Key Investor Information Document (KIID).

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

<sup>a</sup> As at 01/11/09 the primary benchmark for the JPM Global Consumer Trends Fund changed from MSCI World Index Consumer Discretionary/MSCI World Index Consumer Staples – Market Cap Weighted (Total Return Net) to MSCI World Index (Net).

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

Benchmark Source: MSCI. The MSCI data is comprised of a custom index calculated by MSCI for, and as requested by JPMorgan Asset Management (UK) Ltd. The MSCI data is for internal use only and may not be redistributed or used in connection with creating or offering any securities, financial products or indices. Neither MSCI nor any other third party involved in or related to compiling, computing or creating the MSCI data (the "MSCI Parties") makes any express or implied warranties or representations with respect to such data (or the results to be obtained by the use thereof), and the MSCI Parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability or fitness for a particular purpose with respect to such data. Without limiting any of the foregoing, in no event shall any of the MSCI Parties have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

## Fund statistics

Risk and Reward Profile	6
Fund size	£80.6m
Benchmark Index <sup>a</sup>	MSCI World Index (Net)
Comparator	MSCI World Index Consumer Discretionary/ MSCI World Index Consumer Staples – Market Cap Weighted (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%

## Top ten holdings (excluding Liquidity funds) %

Merck & Co	4.5
TOTAL S.A.	3.1
Nestle	3.0
Sanofi	3.0
Apple	3.0
PPR	2.9
Abercrombie & Fitch 'A'	2.9
Royal Dutch Shell 'A'	2.8
Guess	2.7
Teva Pharmaceutical Industries ADR	2.7

## Geographical breakdown %

United States of America	34.4
China	22.0
France	10.0
Switzerland	9.9
United Kingdom	9.4
Liquidity funds	5.5
India	2.8
Israel	2.7
South Africa	1.4
Hong Kong	1.0
Japan	0.8
Greece	0.1
Net other liabilities	0.0

## Highest/lowest share price and distribution record

Calendar year	Highest share price	Lowest share price	Distribution per share (net)
<b>A-Class Accumulation Shares<sup>b</sup></b>			
2008	52.34p	34.94p	-
2009	63.15p	37.62p	0.66p
2010	75.34p	61.53p	0.32p
2011	75.64p	57.26p	0.77p
2012 <sup>c</sup>	73.55p	63.97p	0.49p
<b>A-Class Income Shares<sup>b</sup></b>			
2008	52.34p	34.94p	-
2009	62.22p	37.07p	0.66p
2010	73.87p	60.61p	0.31p
2011	74.16p	55.55p	0.75p
2012 <sup>c</sup>	70.83p	61.61p	0.47p
<b>B-Class Income Shares<sup>d</sup></b>			
2011	102.8p	78.16p	-
2012 <sup>c</sup>	99.45p	86.52p	1.08p
<b>C-Class Accumulation Shares<sup>e</sup></b>			
2010	115.5p	95.74p	-
2011	116.1p	88.34p	0.97p
2012 <sup>c</sup>	113.9p	99.24p	1.58p
<b>C-Class Income Shares<sup>f</sup></b>			
2011	103.7p	78.95p	-
2012 <sup>c</sup>	100.4p	87.49p	1.26p

<sup>a</sup> A-Class Accumulation and A-Class Income Shares were launched on 7 April 2008.

<sup>c</sup> To 31 July 2012.

<sup>b</sup> B-Class Income Shares were launched on 14 February 2011.

<sup>d</sup> C-Class Accumulation Shares were launched on 9 June 2010.

<sup>e</sup> C-Class Income Shares were launched on 29 March 2011.

## Portfolio turnover rate

31.01.12	180.9%
31.07.12	105.7%

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

## Net asset values and Ongoing charges

Date	Net asset value per share class £'000	Number of shares	Net asset value per share	Ongoing charges
<b>A-Class Accumulation Shares</b>				
31.01.10	5,234	8,525,355	61.39p	1.68%
31.01.11	44,374	61,392,409	72.28p	1.68%
31.01.12	63,913	94,090,461	67.93p	1.66%
31.07.12	59,468	89,420,825	66.50p	1.68%
<b>A-Class Income Shares</b>				
31.01.10 <sup>6</sup>	1,968	3,270,027	60.18p	1.68%
31.01.11 <sup>6</sup>	9,323	13,297,145	70.11p	1.68%
31.01.12 <sup>6</sup>	11,366	17,373,832	65.42p	1.65%
31.07.12	10,570	16,503,010	64.05p	1.68%
<b>B-Class Income Shares</b>				
31.01.12 <sup>6</sup>	2,285	2,489,770	91.79p	1.15%
31.07.12	42	46,325	90.02p	1.15%
<b>C-Class Accumulation Shares</b>				
31.01.11	34,157	30,793,224	110.9p	0.87%
31.01.12	14,288	13,598,329	105.1p	0.87%
31.07.12	8,462	8,192,207	103.3p	0.87%
<b>C-Class Income Shares</b>				
31.01.12 <sup>6</sup>	2,004	2,163,389	92.63p	0.87%
31.07.12	2,033	2,232,355	91.06p	0.87%

<sup>6</sup> The net asset value and the net asset value per income share are shown ex-dividend at the financial year end.

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 and any fixed 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 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 31 July 2012

Investment	Holding	Market value £'000	Total net assets %
<b>United States of America - 34.4% (34.4%)</b>			
Abercrombie & Fitch 'A'	101,780	2,296	2.9
Agilent Technologies	35,273	858	1.1
Apache	16,000	894	1.1
Apple	6,375	2,418	3.0
Becton Dickinson & Co	29,859	1,450	1.8
CareFusion	34,306	534	0.7
Cisco Systems	73,129	740	0.9
Coach	20,600	795	1.0
Covidien	39,431	1,407	1.7
Fossil	20,185	964	1.2
Google 'A'	4,414	1,779	2.2
Guess	114,024	2,212	2.7
Hewlett Packard	62,652	729	0.9
Merck & Co	126,435	3,587	4.5
MetLife	98,431	1,923	2.4
Mylan Laboratories	89,189	1,328	1.6
Noah ADS	50,432	160	0.2
Pfizer	113,625	1,717	2.1
Thermo Fisher Scientific	29,117	1,040	1.3
UnitedHealth Group	25,220	856	1.1
<b>China - 22.0% (14.4%)</b>			
Baidu ADS	26,649	2,061	2.6
Beauty China†	133,000	-	-
China Construction Bank 'H'	2,008,000	864	1.0
China Hongxing Sports†	22,764,000	432	0.5
China Merchants Bank 'H'	641,000	754	0.9
China Yurun Food Group	445,000	170	0.2
Focus Media ADR	48,700	602	0.7
Giant Interactive ADR	358,014	1,023	1.3
Hengdeli Holdings	4,988,000	886	1.1
Hisoft Technology International ADR	88,755	621	0.8
iSoftStone	197,608	605	0.7
Mindray Medical ADR	21,506	411	0.5
New World Department Store China	846,000	287	0.4
Oriental Watch	4,003,680	774	1.0
PCD Stores	4,464,000	202	0.3
Perfect World ADR 'B'	200,168	1,215	1.5
Ping An Insurance 'H'	175,500	876	1.1
Ports Design	2,332,500	1,461	1.8
Sands China	357,600	673	0.8
Shanda Games ADR 'A'	319,029	653	0.8
Sinopharm Group 'H'	416,000	780	1.0
Vanceinfo Technologies ADR	141,568	777	1.0
VisionChina Media ADR	285,683	54	0.1
WuXi PharmaTech ADS	176,636	1,520	1.9
<b>France - 10.0% (9.5%)</b>			
LVMH	8,071	791	1.0
PPR	24,109	2,315	2.9
Sanofi	46,782	2,445	3.0
TOTAL S.A.	83,049	2,468	3.1
<b>Switzerland - 9.9% (6.9%)</b>			
Compagnie Financiere Richemont 'A'	50,045	1,839	2.3
Nestle	63,040	2,461	3.0
Novartis	47,999	1,791	2.2
Swatch Group	7,459	1,915	2.4

Investment	Holding	Market value £'000	Total net assets %
<b>United Kingdom - 9.4% (7.6%)</b>			
GlaxoSmithKline	143,716	2,098	2.6
Royal Dutch Shell 'A'	102,628	2,246	2.8
Unilever	67,518	1,543	1.9
Vodafone Group	923,380	1,699	2.1
<b>India - 2.8% (4.6%)</b>			
Axis Bank	40,705	487	0.6
Federal Bank	142,659	677	0.8
Yes Bank	267,876	1,119	1.4
<b>Israel - 2.7% (2.4%)</b>			
Teva Pharmaceutical Industries ADR	81,648	2,145	2.7
<b>South Africa - 1.4% (0.8%)</b>			
MTN Group	99,076	1,164	1.4
<b>Hong Kong - 1.0% (11.0%)</b>			
Emperor Watch & Jewellery	14,550,000	826	1.0
<b>Japan - 0.8% (0.5%)</b>			
Gree	63,700	645	0.8
<b>Greece - 0.1% (0.7%)</b>			
Duty Free Shops	21,428	86	0.1
<b>Liquidity funds - 5.5% (4.5%)</b>			
JPM Liquidity 'X' USD (Income)^‡	6,982,572	4,452	5.5
<b>Investment assets</b>		<b>80,600</b>	<b>100.0</b>
<b>Net other liabilities</b>		<b>(25)</b>	<b>-</b>
<b>Net assets</b>		<b>80,575</b>	<b>100.0</b>

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

The comparative percentage figures in brackets are at 31 January 2012.

† Suspended security

^ Deemed to be investment in related parties of the ACD

‡ Approved security as defined in the Collective Investment Schemes Sourcebook

## Portfolio movements

For the six months ending 31 July 2012

	£'000		£'000
<b>Total of all purchases for the period</b>	<b>61,377</b>	<b>Total of all sales for the period</b>	<b>70,906</b>
<b>Major purchases</b>	<b>Cost</b>	<b>Major sales</b>	<b>Proceeds</b>
JPM Liquidity 'X' USD (Income)^	16,120	JPM Liquidity 'X' USD (Income)^	15,838
Novartis	2,591	Chevron	2,478
Baidu ADS	2,086	Abbott Laboratories	2,252
Abercrombie & Fitch 'A'	2,004	Veeco Instruments	1,725
Schneider Electric	1,852	Emerson Electric	1,611
Pfizer	1,780	Schneider Electric	1,587
Time Warner	1,504	Baker Hughes	1,534
Mylan Laboratories	1,344	Time Warner	1,517
Cognizant Technology Solutions	1,344	Cognizant Technology Solutions	1,451
Altera	1,225	Vinda International	1,439
Vanceinfo Technologies ADR	1,050	Want Want China	1,421
Fossil	1,046	Asiainfo-Linkage	1,309
Capital One Financial	1,012	Guess	1,285
Guess	1,010	Infrastructure Development Finance	1,278
UnitedHealth Group	998	Franshion Properties	1,201
Google 'A'	958	Annaly Capital Management 'A'	1,139
Royal Dutch Shell 'A'	907	Fluor	1,108
Gree	899	Altera	1,091
Anadarko Petroleum	876	Anadarko Petroleum	1,061
Emerson Electric	854	Capital One Financial	976

^ Deemed to be investment in related parties of the ACD

# Financial statements

## Statement of total return

(Unaudited)

For the six months ending 31 July

	2012	2011
	£'000	£'000
Income		
Net capital losses	(2,872)	(2,112)
Revenue	1,386	1,714
Expenses	(690)	(730)
Net revenue before taxation	696	984
Taxation	(142)	(156)
Net revenue after taxation	554	828
<b>Total return before distributions</b>	<b>(2,318)</b>	<b>(1,284)</b>
Finance costs: Distributions	(63)	19
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>(2,381)</b>	<b>(1,265)</b>

## Statement of change in net assets attributable to shareholders

(Unaudited)

For the six months ending 31 July

	2012	2011
	£'000	£'000
<b>Opening net assets attributable to shareholders</b>	<b>93,856</b>	<b>87,854</b>
Amounts receivable on issue of shares	14,933	40,188
Amounts payable on cancellation of shares	(25,824)	(15,542)
	(10,891)	24,646
Change in net assets attributable to shareholders from investment activities (see above)	(2,381)	(1,265)
Stamp duty reserve tax	(9)	(13)
<b>Closing net assets attributable to shareholders</b>	<b>80,575</b>	<b>111,222</b>

As the comparatives in the above table are for the previous interim period, the net assets at the end of that period will not agree to the net assets at the start of the current period.

## Balance sheet

(Unaudited)

As at

	31 July 2012	31 January 2012
	£'000	£'000
<b>ASSETS</b>		
Investment assets	80,600	92,964
Debtors	252	1,713
Cash and bank balances	143	185
<b>Total other assets</b>	<b>395</b>	<b>1,898</b>
<b>Total assets</b>	<b>80,995</b>	<b>94,862</b>
<b>LIABILITIES</b>		
Creditors	(418)	(870)
Bank overdraft	(2)	-
Distribution payable on income shares	-	(136)
<b>Total liabilities</b>	<b>(420)</b>	<b>(1,006)</b>
<b>Net assets attributable to shareholders</b>	<b>80,575</b>	<b>93,856</b>

# JPM Global Equity Absolute Alpha Fund

## Investment objective and policy

The Fund aims to provide a return in excess of the return on one month Sterling (GBP) LIBOR over rolling 12 month periods in any market conditions, although this is not guaranteed.

The Fund will seek to achieve an absolute return normally through Long and Short Positions in Equities and Equity-Linked Securities anywhere in the world (which may include Emerging Markets). Long Positions may be achieved through direct investments and/or Financial Derivative Instruments (derivatives). Short Positions will be achieved through derivatives only. The Fund may have a concentrated portfolio of securities.

There is no restriction on the value of the property of the Fund that may be invested in transferable securities which are warrants. If more than 5% of the property of the Fund is invested in warrants, the net asset value of the Fund may become highly volatile on occasions.

In addition, the Fund may invest, at the discretion of the Investment Adviser, up to 100% in cash and cash equivalents. The Fund may also invest in fixed and floating rate Debt Securities.

**The Fund may use Financial Derivative Instruments (derivatives) for investment purposes.** The Fund may also use derivatives for Efficient Portfolio Management, including hedging, where appropriate.

Normally most of the Fund's non-Sterling assets will be hedged back to Sterling. However, the Investment Adviser may decide not to hedge the Fund's non-Sterling assets back to Sterling in order to enhance potential returns.

## Risk profile

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

The Fund aims to provide a positive return in any market conditions over a rolling 12 month period, although this is not guaranteed.

The Fund can use sophisticated investment techniques that differ from those used in traditional Equity funds.

The Fund should not be used as a substitute for liquidity funds or cash accounts.

The Fund may use Financial Derivatives Instruments (derivatives) and/or forward transactions for investment purposes. The value of derivatives can be volatile. This is because a small movement in the value of the underlying asset can cause a large movement in the value of the derivative and therefore, investment in derivatives may result in losses in excess of the amount invested by the Fund.

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

The value of Bonds and other Debt Securities may change significantly depending on market, economic and interest rate conditions as well as the creditworthiness of the issuer. Issuers of Bonds and other Debt Securities may fail to meet payment obligations (default) or the credit rating of Bonds and other Debt Securities may be downgraded.

The Fund may be concentrated in a limited number of securities, industry sectors or countries and as a result, may be more volatile than more broadly diversified funds.

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 more difficult to sell than non-Emerging Market securities.

The Fund invests opportunistically and exposure to Equity markets may vary substantially depending on market conditions. Therefore the Fund may not be fully invested in rising markets; conversely the Fund could be fully invested in a falling market. In both circumstances the performance of the Fund would suffer.

To the extent that any underlying assets of the Fund are denominated in a currency other than Sterling and are not hedged back to Sterling, movements in currency exchange rates can adversely affect the return of your investment. The currency hedging that may be used to minimise the effect of currency fluctuations may not always be successful.

The possible loss from taking a Short Position on a security (using Financial Derivative Instruments) may be unlimited as there is no restriction on the price to which a security may rise. The Short Selling of investments may be subject to changes in regulations, which could adversely impact returns to investors.

When the Fund invests in warrants, the values of these warrants are likely to fluctuate more than the prices of the underlying securities.

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

## Fund review

The six months under review was a volatile period for global equity markets. The US was the best performing region, with macroeconomic data in February and March particularly supportive for equities, while US housing data beat expectations. The worst performing region was Japan, which suffered from a strengthening yen and weak export data. In Europe, concerns around a potential Greek exit from the euro and the insolvency of the Spanish banking sector weighed on sentiment. However, the president of the European Central Bank said that policymakers would do 'whatever it takes' to preserve the euro. Emerging markets was one of the worst performing regions despite two interest rate cuts in China.

The Fund delivered a positive return for the period. On a sector basis, stock selection in healthcare, information technology and consumer staples contributed positively to performance, while industrials and materials detracted. At the stock level, the biggest positive contributors were Apple, Anheuser-Busch InBev and Sanofi, while our holdings in Hewlett-Packard and Baker Hughes Food Group were among the largest detractors. Our decision to increase our net market exposure in the period was positive for performance.

## Fund outlook

Investors continue to hope for a further round of quantitative easing from the US Federal Reserve, but concerns are also mounting over the extent to which stimulus measures can have a long-term impact on economic fundamentals. However, it is difficult to envisage a US recession given the improving housing market, higher disposable incomes and the need for companies to rebuild inventories. In Europe, policymakers appear to be moving in the direction of greater political and fiscal union, but structural reform to stimulate growth is still lacking. Any stabilisation in the eurozone in particular could have a dramatic impact on business and consumer confidence.

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).

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

Source: J.P. Morgan.

Performance fee is 20% when the Fund return exceeds the benchmark return. Please refer to the Fund's Prospectus for conditions on the application of the performance fees.

## 12 month performance to 31 July

	2012
JPM Global Equity Absolute Alpha A-Class Acc	-1.0%
Benchmark Index	0.8%

## Six month performance to 31 July 2012

JPM Global Equity Absolute Alpha A-Class Acc	1.1%
Benchmark Index	0.4%

## Fund statistics

Risk and Reward Profile	5
Fund size	£6.2m
Benchmark Index	BBA 1 Month GBP LIBOR
Fund charges	Initial 4.25%, Annual 1.25%

## Top ten holdings (excluding Liquidity funds)

	%
AstraZeneca	3.2
Teva Pharmaceutical Industries ADR	3.2
Merck & Co	2.4
Sanofi	2.3
Industrial & Commercial Bank of China 'H'	2.2
Annaly Capital Management 'A'	2.2
Novartis	2.1
Apple	1.8
Anheuser-Busch InBev	1.7
Metlife	1.6

## Geographical breakdown

	%
United States of America	18.1
United Kingdom	7.8
Liquidity funds	6.7
China	6.1
France	4.8
Israel	3.2
Germany	2.6
Switzerland	2.1
Belgium	1.7
Forward currency contracts	(0.2)
Contracts for difference	(0.4)
Net other assets	47.5

In line with current accounting practice the sector breakdown includes the unrealised profit or loss on derivative holdings and consequently the economic market exposure of the fund cannot be fully determined from the above disclosure.

## Highest/lowest share price and distribution record

Calendar year	Highest share price	Lowest share price	Distribution per share (net)
<b>A-Class Accumulation Shares<sup>A</sup></b>			
2011	50.11p	47.33p	-
2012 <sup>B</sup>	49.24p	47.45p	0.00p
<b>A-Class Income Shares<sup>A</sup></b>			
2011	50.11p	47.33p	-
2012 <sup>B</sup>	49.24p	47.45p	0.00p

<sup>A</sup> A-Class Accumulation and A-Class Income Shares were launched on 6 July 2011.

<sup>B</sup> To 31 July 2012.

## Portfolio turnover rate

31.01.12	(20.7)%
31.07.12	59.8%

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.

## Net asset values and Ongoing charges

Date	Net asset value per share class £'000	Number of shares	Net asset value per share	Ongoing charges
<b>A-Class Accumulation Shares</b>				
31.01.12	3,069	6,312,594	48.61p	1.43%
31.07.12	3,103	6,316,226	49.13p	1.43%
<b>A-Class Income Shares</b>				
31.01.12 <sup>c</sup>	3,019	6,211,037	48.61p	1.43%
31.07.12	3,052	6,211,037	49.13p	1.43%

<sup>c</sup> The net asset value and the net asset value per income share are shown ex-dividend at the financial year end.

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 and any fixed expenses expressed as a percentage of the daily net asset values over the period. The main difference between the two calculations is the inclusion of custodian handling charges and the exclusion of Performance fees in the Ongoing charges figure. The comparative figures have not been restated, and the historic TER is disclosed.

# Portfolio statement

As at 31 July 2012

Investment	Holding	Notional exposure £'000	Market value £'000	Total net assets %
<b>United States of America - 18.1% (10.0%)</b>				
Abercrombie & Fitch 'A'	2,594		58	0.9
Air Products & Chemicals	857		44	0.7
Annaly Capital Management 'A'	12,000		133	2.2
Apple	295		112	1.8
Becton Dickinson & Co	1,866		91	1.5
Google 'A'	81		33	0.5
Guess	3,307		64	1.0
Hewlett Packard	3,684		43	0.7
Merck & Co	5,300		150	2.4
Metlife	4,900		96	1.6
Morgan Stanley	5,356		46	0.8
Oracle	3,328		65	1.1
Target	1,560		62	1.0
UnitedHealth Group	1,882		64	1.0
Veeco	2,521		56	0.9
<b>United Kingdom - 7.8% (1.1%)</b>				
AstraZeneca	6,624		198	3.2
Invensys	19,815		48	0.8
Reckitt Benckiser Group	869		31	0.5
Royal Dutch Shell 'B'	2,747		62	1.0
Vodafone Group	44,008		81	1.3
Xstrata	7,317		63	1.0
<b>China - 6.1% (1.7%)</b>				
Baidu ADS	764		59	0.9
Giant Interactive ADR	12,800		37	0.6
Industrial & Commercial Bank of China 'H'	364,000		133	2.2
New World Department Store China	46,000		16	0.2
Perfect World ADR 'B'	5,740		35	0.6
Ports Design	40,000		25	0.4
Vanceinfo Technologies ADR	5,700		31	0.5
WuXi PharmaTech ADS	4,800		41	0.7
<b>France - 4.8% (3.7%)</b>				
PPR	409		39	0.6
Sanofi	2,725		142	2.3
TOTAL S.A.	2,080		62	1.0
Vivendi	4,272		52	0.9
<b>Israel - 3.2% (1.4%)</b>				
Teva Pharmaceutical Industries ADR	7,463		196	3.2
<b>Germany - 2.6% (1.7%)</b>				
Bayer	1,366		67	1.1
Volkswagen	886		90	1.5
<b>Switzerland - 2.1% (0.0%)</b>				
Novartis	3,493		130	2.1
<b>Belgium - 1.7% (1.1%)</b>				
Anheuser-Busch InBev	2,096		104	1.7
<b>Forward currency contracts - (0.2)% (0.2%)</b>				
<b>Euro</b>				
Sell €832,142 buy £674,970 dated 10/08/12			23	0.4
<b>Hong Kong Dollar</b>				
Buy HKD 1,670,438 sell £135,283 dated 10/08/12			2	-
Sell HKD 331,101 buy £27,479 dated 10/08/12			-	-
Sell HKD 1,631,716 buy £130,026 dated 10/08/12			(4)	(0.1)
<b>Japanese Yen</b>				
Sell ¥6,845,352 buy £52,423 dated 10/08/12			(3)	-
<b>Swiss Franc</b>				
Sell CHF 174,456 buy £118,059 dated 10/08/12			4	0.1
<b>US Dollar</b>				
Buy \$68,360 sell £42,288 dated 10/08/12			1	-
Buy \$61,549 sell £39,491 dated 10/08/12			-	-
Sell \$97,263 buy £62,776 dated 10/08/12			1	-
Sell \$2,078,872 buy £1,288,122 dated 10/08/12			(37)	(0.6)

Investment	Holding	Notional exposure £'000	Market value £'000	Total net assets %
<b>Contracts for difference - (0.4)% ((0.6)%)</b>				
<b>Euro - 0.1% (0.0%)</b>				
Aixtron	(5,061)	(43)	5	0.1
<b>Japanese Yen - 0.1% (0.0%)</b>				
Fujifilm	(1,900)	(22)	9	0.1
<b>US Dollar - (0.6)% ((0.5)%)</b>				
Aon	(1,033)	(33)	(2)	-
Colgate-Palmolive	(1,463)	(100)	(12)	(0.2)
Forest Laboratories	(1,917)	(41)	(5)	(0.1)
IBM	(485)	(61)	-	-
Lilly (Eli) & Co	(1,222)	(34)	(3)	-
Lululemon Athletica	(1,822)	(69)	(3)	-
McDonald's	(600)	(34)	(1)	-
Praxair	(703)	(47)	(2)	-
Sherwin-Williams	(736)	(64)	(3)	-
Starbucks	(1,978)	(59)	1	-
Varian Medical Systems	(712)	(25)	6	-
Wal-Mart Stores	(1,291)	(62)	(2)	-
Whole Foods Market	(1,613)	(94)	(19)	(0.3)
Zimmer	(772)	(29)	2	-
<b>Liquidity funds - 6.7% (8.9%)</b>				
JPM Sterling Liquidity 'X' (Income)^\$	413,885		414	6.7
<b>Investment assets (including investment liabilities)</b>			<b>3,231</b>	<b>52.5</b>
<b>Net other assets</b>			<b>2,924</b>	<b>47.5</b>
<b>Net assets</b>			<b>6,155</b>	<b>100.0</b>

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

The comparative percentage figures in brackets are at 31 January 2012.

^ Deemed to be investment in related parties of the ACD

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

## Portfolio movements

For the six months ending 31 July 2012

	£'000		£'000
<b>Total of all purchases for the period</b>	<b>2,513</b>	<b>Total of all sales for the period</b>	<b>1,264</b>
<b>Major purchases</b>	<b>Cost</b>	<b>Sales</b>	<b>Proceeds</b>
AstraZeneca	181	JPM Sterling Liquidity 'X' (Income)^	130
Novartis	122	TOTAL S.A.	96
Invensys	113	Cognizant Technology Solutions	79
Teva Pharmaceutical Industries ADR	111	Baker Hughes	77
Industrial & Commercial Bank of China 'H'	109	Anadarko Petroleum	74
Xstrata	104	Time Warner	64
Becton Dickinson & Co	92	Invensys	58
Metlife	91	Emerson Electric	57
Abercrombie & Fitch 'A'	77	ING Bank	52
Morgan Stanley	76	Apache	49
Cognizant Technology Solutions	74	Schneider Electric	47
Emerson Electric	63	Anritsu	42
ING Bank	62	Xstrata	39
Oracle	62	Want Want China	37
Schneider Electric	62	Avago Technologies	36
Target	62	Agile Property	33
Baidu ADS	61	Citigroup	33
UnitedHealth Group	61	CME Group 'A'	31
Time Warner	61	Perfect World ADR 'B'	31
Anadarko Petroleum	61	Chevron	29

^ Deemed to be investment in related parties of the ACD

# Financial statements

## Statement of total return

(Unaudited)

For the six months ending 31 July

	£'000	2012 £'000	£'000	2011 £'000
Income				
Net capital gains/(losses)		53		(43)
Revenue	61		3	
Expenses	(43)		(5)	
Net revenue/(expense) before taxation	18		(2)	
Taxation	(6)		-	
Net revenue/(expense) after taxation		12		(2)
<b>Total return before distributions</b>		<b>65</b>		<b>(45)</b>
Finance costs: Distributions		-		-
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>65</b>		<b>(45)</b>

## Balance sheet

(Unaudited)

As at

	31 July 2012		31 January 2012	
	£'000	£'000	£'000	£'000
<b>ASSETS</b>				
Investment assets		3,327		2,023
Debtors	34		54	
Cash and bank balances	2,911		4,070	
<b>Total other assets</b>		<b>2,945</b>		<b>4,124</b>
<b>Total assets</b>		<b>6,272</b>		<b>6,147</b>
<b>LIABILITIES</b>				
Investment liabilities		(96)		(52)
Creditors	(21)		(7)	
<b>Total other liabilities</b>		<b>(21)</b>		<b>(7)</b>
<b>Total liabilities</b>		<b>(117)</b>		<b>(59)</b>
<b>Net assets attributable to shareholders</b>		<b>6,155</b>		<b>6,088</b>

## Statement of change in net assets attributable to shareholders

(Unaudited)

For the six months ending 31 July

	£'000	2012 £'000	£'000	2011 £'000
<b>Opening net assets attributable to shareholders</b>		<b>6,088</b>		<b>-</b>
Amounts receivable on issue of shares	10		6,270	
Amounts payable on cancellation of shares	(8)		-	
		2		6,270
Change in net assets attributable to shareholders from investment activities (see above)		65		(45)
<b>Closing net assets attributable to shareholders</b>		<b>6,155</b>		<b>6,225</b>

As the comparatives in the above table are for the previous interim period, the net assets at the end of that period will not agree to the net assets at the start of the current period.

# JPM Global Equity Income Fund

## Investment objective and policy

To provide a portfolio designed to achieve high and rising income by investing globally, primarily in Equities, in any economic sector whilst participating in long term capital growth.

The Fund will have exposure to Emerging Markets. Smaller company investments may be held on an ancillary basis.

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

## Risk profile

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

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

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

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

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

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

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

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

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

## Fund review

The six months under review was a volatile period for global equity markets. The US was the best performing region, with macroeconomic data generally supportive of equities, and housing data beating expectations. The worst performing region was Japan, which suffered from a strengthening yen and weak export data.

In Europe, concerns surrounding Greece and Spain weighed on sentiment, but European policymakers affirmed their commitment to solving the crisis. Emerging markets was one of the worst performing regions despite two interest rate cuts in China.

The Fund significantly outperformed its benchmark in the period. Stock selection was positive in most regions, notably the US, UK and Asia Pacific ex Japan. Emerging markets were the exception, where stock selection was weak. On a sector basis, stock selection was strong across a number of sectors, including consumer non durables, energy, insurance and basic industries. Stock selection was weak in retail and media. Asset allocation was positive for performance as defensive sectors performed strongly relative to cyclicals. High dividend yield and dividend growth stocks outperformed the index; however, high dividend cover was one of the worst performing styles. A number of companies in the portfolio have recently raised their dividends, such as Kinder Morgan, Centrica and Total SA.

## Fund outlook

Investors continue to hope for further quantitative easing from the US Federal Reserve, but concerns are mounting over the extent to which stimulus measures can have a long-term impact on economic fundamentals. However, it is difficult to envisage a US recession given the improving housing market, higher disposable incomes and the need for companies to rebuild inventories. In Europe, policymakers appear to be moving towards greater political and fiscal union, but structural reform is still lacking. Any stabilisation could have a dramatic impact on confidence.

## 12 month performance as at 31 July

	2012	2011	2010	2009	2008
<b>JPM Global Equity Income A-Class Acc (GBP Hedged)</b>	<b>2.0%</b>	<b>10.0%</b>	<b>12.4%</b>	<b>-10.4%</b>	<b>-14.5%</b>
<b>JPM Global Equity Income C-Class Inc (GBP Hedged)</b>	<b>2.9%</b>	<b>10.9%</b>	<b>13.2%</b>	<b>-9.8%</b>	-
Hedged Benchmark Index <sup>A</sup>	1.3%	11.9%	9.8%	0.8%	-8.6%
<b>JPM Global Equity Income A-Class Acc<sup>B</sup></b>	-	-	-	-	-
Benchmark Index	-	-	-	-	-

## Six month performance to 31 July 2012

<b>JPM Global Equity Income A-Class Acc (GBP Hedged)</b>	<b>6.2%</b>
Hedged Benchmark Index <sup>A</sup>	3.1%
<b>JPM Global Equity Income A Class Acc</b>	<b>5.4%</b>
Benchmark Index	2.9%

You should remember that past performance is not a guide to the future. The price of investments and the income from them may fall as well as rise and investors may not get back the full amount invested. For specific risks, including the risk and reward profile, please refer to the Key Investor Information Document (KIID).

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

Source: J.P. Morgan.

On 16/12/11 the Fund switched to currency hedging at share class level and existing share classes were renamed GBP Hedged Shares.

<sup>A</sup> On 01/05/09 the benchmark for the Fund was changed from MSCI World Index (Net) to MSCI World Index Hedged into GBP (Net).

<sup>B</sup> The launch of this share class occurred less than 12 months ago and as a result no performance return is reported.

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

## Fund statistics

Risk and Reward Profile	6
Fund size	£110.3m
Hedged Benchmark Index <sup>A</sup>	MSCI World Index Hedged into GBP (Net)
Benchmark Index	MSCI World Index (Net)
Fund charges	
A-Class	Initial 4.25%, Annual 1.50%
C-Class	Initial Nil, Annual 0.75%
X-Class	On application <sup>C</sup>

## Top ten holdings (excluding Liquidity funds) %

Time Warner	3.0
Merck & Co	2.8
British American Tobacco	2.5
Pfizer	2.4
Royal Dutch Shell 'A'	2.4
Verizon Communications	2.3
Telecom Corporation of New Zealand	2.2
Roche (Genusscheine)	2.2
Vodafone Group	2.2
Australia & New Zealand Bank Group	2.2

## Geographical breakdown %

United States of America	29.3
United Kingdom	15.4
France	8.6
Japan	8.6
Australia	6.9
Germany	6.6
Switzerland	5.1
Netherlands	2.7
New Zealand	2.2
Sweden	1.9
South Africa	1.8
Italy	1.6
Singapore	1.5
Hong Kong	1.4
China	1.3
Finland	1.1
Liquidity funds	1.0
Taiwan	0.9
Indonesia	0.8
Forward currency contracts Fund level	0.3
South Korea	0.2
Forward currency contracts GBP Hedged share classes	0.1
Net other assets	0.7

The forward exchange contracts are entered into at Fund level, and additional forward exchange contracts are entered into by the A-Class Accumulation GBP Hedged shares, A-Class Income GBP Hedged shares, and the C-Class Income GBP Hedged shares.

## Highest/lowest share price and distribution record

Calendar year	Highest share price	Lowest share price	Distribution per share (net)
<b>A-Class Accumulation Shares<sup>D</sup></b>			
2011	50.00p	50.00p	-
2012 <sup>E</sup>	53.39p	48.96p	1.30p
<b>A-Class Accumulation GBP Hedged Shares<sup>F</sup></b>			
2007	53.79p	47.18p	1.35p
2008	51.36p	32.81p	1.81p
2009	44.13p	29.50p	1.59p
2010	48.64p	40.78p	1.55p
2011	50.06p	40.47p	1.84p
2012 <sup>E</sup>	48.81p	44.83p	1.42p
<b>A-Class Income Shares<sup>D</sup></b>			
2011	50.00p	50.00p	-
2012 <sup>E</sup>	53.38p	48.37p	1.29p
<b>A-Class Income GBP Hedged Shares<sup>F</sup></b>			
2007	52.73p	46.85p	1.33p
2008	49.99p	30.88p	1.73p
2009	39.41p	27.34p	1.46p
2010	41.94p	35.87p	1.36p
2011	42.89p	33.89p	1.57p
2012 <sup>E</sup>	40.30p	36.57p	1.16p
<b>C-Class Income GBP Hedged Shares<sup>F6</sup></b>			
2008	107.3p	71.49p	2.96p
2009	92.05p	63.42p	3.42p
2010	98.66p	83.99p	3.29p
2011	101.2p	80.18p	3.73p
2012 <sup>E</sup>	95.72p	87.03p	2.81p
<b>X-Class Accumulation Shares</b>			
2007	105.1p	93.36p	0.00p
2008	100.7p	65.00p	3.10p
2009	88.78p	58.74p	3.18p
2010	99.42p	82.57p	3.28p
2011 <sup>H</sup>	102.8p	83.68p	2.97p
<b>X-Class Income Shares</b>			
2007	105.1p	93.36p	0.00p
2008	100.7p	63.17p	3.06p
2009	81.91p	56.16p	2.99p
2010	88.42p	74.93p	2.99p
2011 <sup>H</sup>	90.88p	72.23p	2.61p

<sup>D</sup> A-Class Accumulation and A-Class Income Shares were launched on 30 December 2011.

<sup>E</sup> To 31 July 2012.

<sup>F</sup> A-Class Accumulation, A-Class Income and C-Class Income shares changed name to GBP Hedged shares on 16 December 2011.

<sup>G</sup> C-Class Income Shares were launched on 28 March 2008.

<sup>H</sup> X-Class Accumulation and X-Class Income Shares were closed on 12 October 2011.

## Portfolio turnover rate

31.01.12	146.2%
31.07.12	33.7%

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

## Net asset values and Ongoing charges

Date	Net asset value per share class £'000	Number of shares	Net asset value per share	Ongoing charges
<b>A-Class Accumulation Shares</b>				
31.01.12	3	5,000	50.41p	1.68%
31.07.12	17	32,645	53.11p	1.68%
<b>A-Class Accumulation GBP Hedged Shares</b>				
31.01.10	73,237	174,307,430	42.02p	1.66%
31.01.11	95,052	196,741,525	48.31p	1.67%
31.01.12	83,943	183,385,494	45.77p	1.68%
31.07.12	87,523	180,188,978	48.57p	1.68%
<b>A-Class Income Shares</b>				
31.01.12	3	5,000	50.40p	1.68%
31.07.12	49	95,546	51.80p	1.68%
<b>A-Class Income GBP Hedged Shares</b>				
31.01.10	13,385	35,867,126	37.32p	1.66%
31.01.11	18,409	44,472,589	41.39p	1.67%
31.01.12	18,068	47,820,860	37.78p	1.67%
31.07.12	20,381	52,106,360	39.11p	1.68%
<b>C-Class Income GBP Hedged Shares</b>				
31.01.10	1,668	1,913,828	87.17p	0.87%
31.01.11	2,658	2,727,345	97.46p	0.87%
31.01.12	2,982	3,327,317	89.63p	0.87%
31.07.12	2,357	2,529,833	93.17p	0.87%
<b>X-Class Accumulation Shares</b>				
31.01.10	5	6,000	84.65p	0.06%
31.01.11	6	6,000	98.86p	0.06%
<b>X-Class Income Shares</b>				
31.01.10	5	7,000	77.60p	0.06%
31.01.11	5	6,000	87.38p	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 and any fixed 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 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 31 July 2012

Investment	Holding	Market value £'000	Total net assets %
<b>United States of America - 29.3% (30.7%)</b>			
Apple	4,453	1,689	1.5
Chevron	19,161	1,342	1.2
CME Group 'A'	49,560	1,653	1.5
ConocoPhillips	32,699	1,144	1.0
Du Pont de Nemours	44,026	1,394	1.3
Emerson Electric	52,527	1,605	1.4
Kinder Morgan Delaware	50,920	1,163	1.1
Masco	143,340	1,196	1.1
Mattel	51,891	1,173	1.1
Merck & Co	109,906	3,118	2.8
Microsoft	90,857	1,716	1.6
Paychex	48,178	1,010	0.9
Pfizer	175,392	2,650	2.4
PG&E	43,177	1,281	1.2
Sysco	58,183	1,089	1.0
Time Warner	134,366	3,306	3.0
UnitedHealth Group	30,925	1,050	1.0
Verizon Communications	87,941	2,519	2.3
Wells Fargo	95,129	2,059	1.9
<b>United Kingdom - 15.4% (13.8%)</b>			
AstraZeneca	56,629	1,696	1.5
British American Tobacco	81,807	2,797	2.5
Centrica	566,824	1,826	1.6
GlaxoSmithKline	135,784	1,982	1.8
HSBC	283,707	1,516	1.4
Pearson	103,846	1,239	1.1
Royal Dutch Shell 'A'	118,977	2,603	2.4
SABMiller	35,835	988	0.9
Vodafone Group	1,316,064	2,421	2.2
<b>France - 8.6% (12.2%)</b>			
Compagnie de Saint-Gobain	52,918	1,019	0.9
GDF Suez	64,347	920	0.8
Sanofi	26,034	1,360	1.2
Schneider Electric	62,801	2,299	2.1
Sodexo	27,126	1,315	1.2
TOTAL S.A.	44,885	1,334	1.2
Unibail-Rodamco	11,267	1,380	1.2
<b>Japan - 8.6% (8.9%)</b>			
Canon	75,400	1,626	1.5
Daito Trust Construction	30,200	1,857	1.7
Japan Tobacco	108,800	2,185	2.0
Nippon Telegraph & Telephone	52,500	1,550	1.4
Sumitomo	248,500	2,237	2.0
<b>Australia - 6.9% (2.1%)</b>			
Amcor	215,630	1,087	1.0
Australia & New Zealand Bank Group	152,721	2,410	2.2
Stockland Trust Group	503,506	1,125	1.0
Transurban Group	368,820	1,505	1.4
Westfield Group	213,690	1,409	1.3
<b>Germany - 6.6% (7.6%)</b>			
Allianz	22,556	1,444	1.3
BASF	32,822	1,552	1.4
BMW	29,093	1,389	1.3
Deutsche Boerse	43,231	1,387	1.3
E.ON	107,546	1,466	1.3
<b>Switzerland - 5.1% (5.0%)</b>			
Nestle	40,818	1,593	1.4
Roche (Genusscheine)	21,445	2,425	2.2
Swiss Re	41,792	1,672	1.5
<b>Netherlands - 2.7% (1.5%)</b>			
Ahold	189,695	1,470	1.3
Unilever	72,079	1,594	1.4
<b>New Zealand - 2.2% (1.9%)</b>			
Telecom Corporation of New Zealand	1,803,600	2,459	2.2
<b>Sweden - 1.9% (2.0%)</b>			
Ericsson 'B'	192,219	1,137	1.0
Swedbank 'A'	88,006	972	0.9
<b>South Africa - 1.8% (1.9%)</b>			
African Bank Investments	307,178	884	0.8
MTN Group	96,516	1,134	1.0

Investment	Holding	Market value £'000	Total net assets %
<b>Italy - 1.6% (1.8%)</b>			
ENI	133,426	1,788	1.6
<b>Singapore - 1.5% (1.1%)</b>			
Singapore Telecommunications	878,000	1,607	1.5
<b>Hong Kong - 1.4% (2.0%)</b>			
Hutchison Whampoa	260,000	1,493	1.4
<b>China - 1.3% (1.4%)</b>			
China Construction Bank 'H'	3,330,000	1,432	1.3
<b>Finland - 1.1% (1.4%)</b>			
UPM-Kymmene	179,724	1,243	1.1
<b>Taiwan - 0.9% (0.0%)</b>			
Novatek Microelectronics	551,000	1,026	0.9
<b>Indonesia - 0.8% (0.0%)</b>			
Perusahaan Gas Negara	3,603,000	911	0.8
<b>South Korea - 0.2% (1.4%)</b>			
KT ADR	23,657	212	0.2
<b>Forward currency contracts Fund level - 0.3% ((0.5%))</b>			
<b>Australian Dollar</b>			
Sell AUD 4,797,595 buy £3,037,728 dated 23/08/12		(175)	(0.2)
<b>Canadian Dollar</b>			
Buy CAD 8,581,229 sell £5,329,691 dated 23/08/12		132	0.1
Sell CAD 333,636 buy \$324,846 dated 23/08/12		(5)	-
<b>Euro</b>			
Buy €492,750 sell £394,634 dated 23/08/12		(9)	-
Sell €13,618,581 buy £11,008,580 dated 23/08/12		341	0.3
Sell €2,339,196 buy \$2,924,590 dated 23/08/12		32	-
<b>Hong Kong Dollar</b>			
Buy HKD 4,245,096 sell £339,635 dated 23/08/12		9	-
Buy HKD 2,898,348 sell £240,541 dated 23/08/12		(2)	-
Sell HKD 10,973,258 buy £894,105 dated 23/08/12		(8)	-
<b>Japanese Yen</b>			
Sell ¥17,536,000 buy £146,862 dated 23/08/12		4	-
Sell ¥3,525,825 buy £28,149 dated 23/08/12		(1)	-
<b>New Zealand Dollar</b>			
Buy NZD 925,236 sell \$726,897 dated 23/08/12		14	-
Sell NZD 4,269,834 buy £2,035,416 dated 23/08/12		(167)	(0.2)
Sell NZD 1,081,455 buy \$859,638 dated 23/08/12		(10)	-
<b>Norwegian Krone</b>			
Buy NOK 4,098,349 sell £432,832 dated 23/08/12		(1)	-
<b>Singapore Dollar</b>			
Sell SGD 934,561 buy £465,016 dated 23/08/12		(14)	-
<b>Swedish Krona</b>			
Sell SEK 6,358,662 buy £561,876 dated 23/08/12		(33)	-
<b>Swiss Franc</b>			
Buy CHF 363,837 sell £243,778 dated 23/08/12		(7)	-
Sell CHF 3,180,103 buy £2,141,280 dated 23/08/12		68	0.1
<b>US Dollar</b>			
Buy \$33,237,728 sell £21,025,758 dated 23/08/12		166	0.2
Buy \$4,118,602 sell £2,644,713 dated 23/08/12		(12)	-
Sell \$1,197,885 buy €983,223 dated 23/08/12		6	-
Sell \$1,765,135 buy £1,405,415 dated 23/08/12		(25)	-
Sell \$2,977,063 buy £1,928,975 dated 23/08/12		31	-
Sell \$347,000 buy £218,457 dated 23/08/12		(3)	-
<b>Options - 0.0% (0.0%)</b>			
BASF Call Options 62 Sep 2012	(300)	(37)	-
Schneider Call Options 50 Sep 2012	(300)	(28)	-
Masco Call Options 15 Sep 2012	(700)	(11)	-
<b>Liquidity funds - 1.0% (2.1%)</b>			
JPM Sterling Liquidity 'X' (Income)^\$	1,100,094	1,100	1.0
<b>Investment assets (including investment liabilities) before share class level assets</b>			
		<b>109,488</b>	<b>99.2</b>

## Portfolio statement – continued

As at 31 July 2012

Investment	Holding	Market value £'000	Total net assets %
<b>Forward currency contracts GBP Hedged share classes – 0.1% (1.5%)</b>			
<b>Australian Dollar</b>			
Sell AUD 5,717,084 buy £3,763,220 dated 23/08/12		(65)	(0.1)
<b>Canadian Dollar</b>			
Sell CAD 8,181,114 buy £5,168,695 dated 23/08/12		(38)	-
<b>Euro</b>			
Sell €15,354,689 buy £12,040,840 dated 23/08/12		14	-
<b>Hong Kong Dollar</b>			
Sell HKD13,462,448 buy £1,112,697 dated 23/08/12		5	-
<b>Japanese Yen</b>			
Buy ¥61,264,541 sell £505,120 dated 23/08/12		(4)	-
Sell ¥1,210,888,027 buy £9,834,775 dated 23/08/12		(40)	-
<b>New Zealand Dollar</b>			
Sell NZD 480,058 buy £243,711 dated 23/08/12		(4)	-
<b>Norwegian Krone</b>			
Sell NOK 3,795,170 buy £397,396 dated 23/08/12		(3)	-
<b>Singapore Dollar</b>			
Sell SGD 1,580,234 buy £803,133 dated 23/08/12		(7)	-
<b>Swedish Krone</b>			
Sell SEK 14,285,978 buy £1,318,584 dated 23/08/12		(17)	-
<b>Swiss Franc</b>			
Sell CHF 5,285,359 buy £3,452,881 dated 23/08/12		6	-
<b>US Dollar</b>			
Buy \$864,151 sell £557,261 dated 23/08/12		(6)	-
Sell \$82,573,935 buy £52,889,953 dated 23/08/12		243	0.2
Sell \$2,850,755 buy £1,814,499 dated 23/08/12		(3)	-
<b>Investment assets (including investment liabilities)</b>		<b>109,569</b>	<b>99.3</b>
<b>Net other assets</b>		<b>758</b>	<b>0.7</b>
<b>Net assets</b>		<b>110,327</b>	<b>100.0</b>

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

The comparative percentage figures in brackets are at 31 January 2012.

The forward exchange contracts are entered into at Fund level, and additional forward exchange contracts are entered into by the A-Class Accumulation GBP Hedged shares, A-Class Income GBP Hedged shares, and the C-Class Income GBP Hedged shares.

^ Deemed to be investment in related parties of the ACD

§ Approved security as defined in the Collective Investment Schemes sourcebook

## Portfolio movements

For the six months ending 31 July 2012

	£'000		£'000
<b>Total of all purchases for the period</b>	<b>33,710</b>	<b>Total of all sales for the period</b>	<b>31,084</b>
<b>Major purchases</b>	<b>Cost</b>	<b>Major sales</b>	<b>Proceeds</b>
JPM Sterling Liquidity 'X' (Income)^	10,282	JPM Sterling Liquidity 'X' (Income)^	11,358
CME Group 'A'	1,736	McDonald's	1,851
Ahold	1,731	PPR	1,660
AstraZeneca	1,544	Coca-Cola	1,592
Transurban Group	1,412	Bristol-Myers Squibb	1,381
Westfield Group	1,256	Standard Chartered	1,274
Pearson	1,214	Du Pont de Nemours	1,218
United Health Group	1,097	Carnival	1,199
Novatek Microelectronics	1,090	KT ADR	1,128
Masco	1,083	Williams	1,037
Stockland Trust Group	1,082	PG&E	929
Amcor	1,058	Tatts Group	874
Kinder Morgan Delaware	1,021	Suez Environment	773
Australia & New Zealand Bank Group	979	Red Electrica Corporacion	721
Perusahaan Gas Negara	865	Cairn Energy	654
Red Electrica Corporacion	836	Apple	554
PG&E	523	Hutchison Whampoa	539
Vodafone Group	299	Sodexo	440
Time Warner	292	SABMiller	367
ConocoPhillips	290	Chevron	297

^ Deemed to be investment in related parties of the ACD

# Financial statements

## Statement of total return

(Unaudited)

For the six months ending 31 July

	2012	2011
	£'000	£'000
Income		
Net capital gains/(losses)	4,474	(3,427)
Revenue	3,115	3,122
Expenses	(885)	(959)
Net revenue before taxation	2,230	2,163
Taxation	(314)	(325)
Net revenue after taxation	1,916	1,838
<b>Total return before distributions</b>	<b>6,390</b>	<b>(1,589)</b>
Finance costs: Distributions	(2,707)	(2,666)
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>3,683</b>	<b>(4,255)</b>

## Statement of change in net assets attributable to shareholders

(Unaudited)

For the six months ending 31 July

	2012	2011
	£'000	£'000
<b>Opening net assets attributable to shareholders</b>	<b>104,999</b>	<b>116,130</b>
Amounts receivable on issue of shares	4,022	3,566
Amounts payable on cancellation of shares	(4,534)	(3,498)
	(512)	68
Change in net assets attributable to shareholders from investment activities (see above)	3,683	(4,255)
Retained distributions on accumulation shares	2,160	2,163
Stamp duty reserve tax	(3)	(3)
<b>Closing net assets attributable to shareholders</b>	<b>110,327</b>	<b>114,103</b>

As the comparatives in the above table are for the previous interim period, the net assets at the end of that period will not agree to the net assets at the start of the current period.

## Balance sheet

(Unaudited)

As at

	31 July 2012	31 January 2012
	£'000	£'000
<b>ASSETS</b>		
Investment assets	110,304	105,713
Debtors	644	905
Cash and bank balances	599	730
<b>Total other assets</b>	<b>1,243</b>	<b>1,635</b>
<b>Total assets</b>	<b>111,547</b>	<b>107,348</b>
<b>LIABILITIES</b>		
Investment liabilities	(735)	(882)
Creditors	(193)	(1,361)
Distribution payable on income shares	(292)	(106)
<b>Total other liabilities</b>	<b>(485)</b>	<b>(1,467)</b>
<b>Total liabilities</b>	<b>(1,220)</b>	<b>(2,349)</b>
<b>Net assets attributable to shareholders</b>	<b>110,327</b>	<b>104,999</b>

# JPM Global (ex-UK) Bond Fund

## Investment objective and policy

To provide income with the prospect of capital growth from investment anywhere in the world in non-Sterling denominated interest-bearing securities in any economic sector. The Fund is primarily hedged back into Sterling. The Fund may invest up to 100% in government and public securities (see section 3.11(e) of the Prospectus).

This Bond Fund invests primarily in a broad range of Investment Grade government securities (outside the UK). The Fund may also invest in other interest bearing securities including Below Investment Grade Bonds.

## Risk profile

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

Bond funds may not behave like direct investments in the underlying Bonds themselves. By investing in Bond funds, the certainty of receiving a regular fixed amount of income for a defined period of time with the prospect of a future known return of capital is lost.

The value of Bonds and other Debt Securities may change significantly depending on market, economic and interest rate conditions as well as the creditworthiness of the issuer. Issuers of Bonds and other Debt Securities may fail to meet payment obligations (default) or the credit rating of Bonds and other Debt Securities may be downgraded.

Bond funds will normally distribute a combination of Coupon and the expected discount/premium on the securities. Therefore, a Fund's distribution will comprise income received and an element of projected capital gains or losses. This could result in an element of capital gain being taxed as income in the hands of an investor.

To the extent that any underlying assets of the Fund are denominated in a currency other than Sterling and are not hedged back to Sterling, movements in currency exchange rates can adversely affect the return of your investment. The currency hedging that may be used to minimise the effect of currency fluctuations may not always be successful.

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

## Fund review

The situation in the eurozone remained at the forefront of investor concerns. Against a backdrop of upward pressure on peripheral bond yields and a further decline in core short-dated yields into negative territory, European Central Bank President, Mario Draghi, stated that the bank would do whatever it takes to support the euro. US economic data releases were disappointing, with consumer confidence falling and labour market data remaining soft. The Federal Open Market Committee announced an extension of Operation Twist by USD 267 billion. Investment grade corporate credit markets performed well given the demand for attractive yields within a zero-interest rate environment.

The Fund outperformed its benchmark in the period. We started the period with a preference towards the dollar-bloc countries and then increased our headline duration via US Treasuries in five-year and seven-year maturities, which contributed positively to performance. We also opened up a long US two-year versus short EU two-year position and long US ten-year versus short EU ten-year position. These positions were taken given the pressure that Bonds continue to face as the eurozone moves towards some kind of resolution, which will inevitably involve mutualisation of peripheral debt at the expense of core countries.

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).

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

## Fund outlook

While we have been through several cycles of increased stress followed by relief rallies in response to fire-fighting by policymakers, through it all the crisis has intensified. Europe is now clearly the dominant source of market risk in the months to come as Spain and Italy find themselves again at the centre of the storm. Global growth momentum has clearly turned negative, and financial conditions have tightened. This spells another year of sub-par growth that should depress inflation and induce more aggressive policy response.

## 12 month performance to 31 July

	2012	2011	2010	2009	2008
<b>JPM Global (ex-UK) Bond A-Class Acc</b>	<b>7.0%</b>	<b>0.9%</b>	<b>6.2%</b>	<b>-0.6%</b>	<b>-0.5%</b>
<b>JPM Global (ex-UK) Bond I-Class Acc</b>	<b>7.4%</b>	<b>1.3%</b>	<b>6.5%</b>	<b>-0.3%</b>	<b>0.0%</b>
Benchmark Index	7.2%	1.5%	6.2%	8.5%	7.6%

## Six month performance to 31 July 2012

<b>JPM Global (ex-UK) Bond A-Class Acc</b>	<b>3.1%</b>
Benchmark Index	2.6%

## Fund statistics

Risk and Reward Profile	<b>3</b>
Fund size	<b>£72.6m</b>
Benchmark Index	<b>JPMorgan Government Bond Index ex UK hedged in GBP</b>
Fund charges	
A-Class	<b>Initial 3.50%, Annual 0.75%</b>
I-Class	<b>Initial Nil, Annual 0.45%</b>

## Top ten holdings (excluding Liquidity funds) %

Germany 1.75% 2015	5.0
Japan 1.1% 2020	3.7
US Treasury 3.625% 2020	3.3
US Treasury 2% 2022	3.2
European Union 2.5% 2015	3.2
Japan 1.9% 2025	2.9
Japan 1.9% 2023	2.6
Japan 1.3% 2020	2.5
Japan 1.7% 2016	2.2
Japan 2.5% 2035	2.1

## Sector breakdown

	%
Government stock	73.5
Corporate debt	15.7
Supra-National Bank	5.0
Liquidity funds	2.8
Forward currency contracts	0.6
Futures	0.0
Net other assets	2.4

## Highest/lowest share price and distribution record

Calendar year	Highest share price	Lowest share price	Distribution per share
<b>A-Class Accumulation Shares</b>			
2007	207.3p	198.7p	5.14p
2008	209.3p	195.4p	5.73p
2009	206.0p	194.8p	4.04p
2010	217.4p	203.6p	2.82p
2011	221.3p	208.5p	2.54p
2012 <sup>A</sup>	229.6p	219.5p	2.63p
<b>A-Class Income Shares</b>			
2007	182.3p	177.2p	4.54p
2008	183.9p	167.0p	5.01p
2009	173.4p	164.4p	3.44p
2010	179.5p	170.5p	2.41p
2011	180.7p	171.4p	2.09p
2012 <sup>A</sup>	186.3p	179.2p	2.14p
<b>I-Class Accumulation Shares</b>			
2007	128.5p	122.9p	3.64p
2008	129.8p	121.5p	4.04p
2009	128.5p	121.4p	2.89p
2010	136.1p	127.1p	2.29p
2011	139.1p	130.7p	2.10p
2012 <sup>A</sup>	144.8p	138.1p	2.19p
<b>I-Class Gross Accumulation Shares<sup>B</sup></b>			
2007	104.6p	99.68p	2.00p
2008	105.8p	99.65p	4.10p
2009	106.0p	99.93p	3.05p
2010	112.7p	104.9p	2.36p
2011	115.6p	108.3p	2.17p
2012 <sup>A</sup>	120.7p	114.9p	2.28p
<b>I-Class Income Shares</b>			
2007	112.9p	109.8p	3.26p
2008	114.0p	103.5p	3.54p
2009	107.5p	101.9p	2.45p
2010	111.2p	105.7p	1.89p
2011	111.9p	106.1p	1.73p
2012 <sup>A</sup>	115.5p	111.1p	1.76p

<sup>A</sup> To 31 July 2012.

<sup>B</sup> I-Class Gross Accumulation Shares were launched on 1 February 2007.

## Portfolio turnover rate

31.01.12	111.3%
31.07.12	82.1%

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

## Net asset values and Ongoing charges

Date	Net asset value per share class £'000	Number of shares	Net asset value per share	Ongoing charges
<b>A-Class Accumulation Shares</b>				
31.01.10	6,881	3,360,911	204.7p	0.93%
31.01.11	23,042	10,971,611	210.0p	0.93%
31.01.12	26,754	12,047,696	222.1p	0.93%
31.07.12	42,296	18,478,399	228.9p	0.93%
<b>A-Class Income Shares</b>				
31.01.10	3,589	2,109,182	170.2p	0.93%
31.01.11	2,646	1,532,493	172.6p	0.93%
31.01.12	2,447	1,358,319	180.1p	0.93%
31.07.12	2,295	1,242,739	184.7p	0.93%
<b>I-Class Accumulation Shares</b>				
31.01.10	166	129,933	127.8p	0.45%
31.01.11	88	67,193	131.7p	0.45%
31.01.12	94	67,193	139.8p	0.45%
31.07.12	96	66,411	144.3p	0.45%
<b>I-Class Gross Accumulation Shares</b>				
31.01.10	17,421	16,508,176	105.5p	0.45%
31.01.11	27,456	25,164,435	109.1p	0.45%
31.01.12	23,685	20,367,485	116.3p	0.45%
31.07.12	27,868	23,163,851	120.3p	0.45%
<b>I-Class Income Shares</b>				
31.01.10	278	264,163	105.3p	0.45%
31.01.11	172	161,493	106.8p	0.45%
31.01.12	63	57,000	111.5p	0.45%
31.07.12	65	56,500	114.3p	0.45%

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

Following the adoption of the requirements of UCITS IV in June 2012, Ongoing charges has replaced the Total expense ratio (TER). The Ongoing charges takes into account the ACD fee and any fixed 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 custody related transaction charges in the Ongoing charges figure. The comparative figures have not been restated, and the historic TER is disclosed.

# Portfolio statement

As at 31 July 2012

Investment	Holding	Market value €'000	Total net assets %
<b>Government stock - 73.5% (70.8%)</b>			
<b>Australia - 2.6%</b>			
Australia FRN 2015	AUD 1,270,000	1,557	2.1
Australia 6% 2017	AUD 85,000	65	0.1
Australia 5.75% 2022	AUD 310,000	257	0.4
<b>Belgium - 1.5%</b>			
Belgium 3% 2019	€965,000	801	1.1
Belgium 5.5% 2028	€265,000	266	0.4
Belgium 4.25% 2041	€32,000	29	-
<b>Brazil - 0.7%</b>			
Brazil 10% 2013	BRL 1,617	515	0.7
<b>Canada - 1.2%</b>			
Canada 3.75% 2019	CAD 130,000	95	0.1
Canada 3.5% 2020	CAD 490,000	357	0.5
Canada 2.75% 2022	CAD 230,000	160	0.2
Canada 5.75% 2033	CAD 312,000	313	0.4
<b>Denmark - 0.8%</b>			
Denmark 4% 2017	DKK 4,600,000	577	0.8
<b>France - 6.1%</b>			
France 2.5% 2015	€250,000	207	0.3
France 2.5% 2016	€1,770,000	1,486	2.0
France 3.5% 2020	€621,000	547	0.8
France 3.25% 2021	€1,089,166	937	1.4
France 5.75% 2032	€960,000	1,073	1.5
France 4% 2038	€60,000	55	0.1
<b>Germany - 9.3%</b>			
Germany 1.75% 2015	€4,375,000	3,613	5.0
Germany 3.75% 2015	€140,000	120	0.2
Germany 2.75% 2016	€200,000	172	0.2
Germany 3% 2020	€190,000	172	0.2
Germany 2.5% 2021	€530,000	463	0.6
Germany 2% 2022	€670,000	559	0.8
Germany 4.75% 2028	€893,000	967	1.4
Germany 4.75% 2034	€426,000	488	0.7
Germany 4.75% 2040	€140,000	169	0.2
<b>Italy - 5.2%</b>			
Italy 3.75% 2013	€447,000	351	0.5
Italy 3.5% 2014	€420,000	327	0.4
Italy 5.25% 2017	€1,090,000	856	1.2
Italy 4.5% 2018	€900,000	674	0.9
Italy 4.75% 2021	€1,194,000	868	1.2
Italy 5% 2025	€409,000	288	0.4
Italy 4% 2037	€565,000	327	0.4
Italy 5% 2040	€275,000	174	0.2
<b>Japan - 23.4%</b>			
Japan 0.7% 2014	¥70,000,000	578	0.8
Japan 1.7% 2016	¥185,000,000	1,610	2.2
Japan 1.1% 2020	¥315,000,000	2,679	3.7
Japan 1.3% 2020	¥211,000,000	1,822	2.5
Japan 1% 2021	¥150,000,000	1,252	1.7
Japan 1.1% 2021	¥144,000,000	1,214	1.7
Japan 1.9% 2022	¥16,000,000	144	0.2
Japan 1.9% 2023	¥210,500,000	1,893	2.6
Japan 1.9% 2025	¥232,200,000	2,073	2.9
Japan 2% 2030	¥132,400,000	1,161	1.6
Japan 2.5% 2035	¥166,250,000	1,558	2.1
Japan 2.3% 2039	¥49,000,000	443	0.6
Japan 2.4% 2048	¥49,800,000	451	0.6
Japan 2.2% 2051	¥20,200,000	173	0.2
<b>Mexico - 0.7%</b>			
Mexico 8% 2013	MXN 107,500	542	0.7
<b>Netherlands - 1.6%</b>			
Netherlands 4.5% 2017	€480,000	445	0.6
Netherlands 4% 2018	€307,000	282	0.4
Netherlands 3.25% 2021	€330,000	295	0.4
Netherlands 3.75% 2042	€165,000	166	0.2
<b>Russia - 0.8%</b>			
Russian FRN 2030	¥732,550	584	0.8
<b>South Africa - 0.7%</b>			
South Africa 10.5% 2026	ZAR 4,800,000	479	0.7
<b>South Korea - 0.8%</b>			
Korea 5.75% 2014	¥850,000	584	0.8

Investment	Holding	Market value €'000	Total net assets %
<b>Spain - 2.2%</b>			
Spain 3.4% 2014	€400,000	307	0.4
Spain 4.25% 2016	€450,000	329	0.5
Spain 5.85% 2022	€830,000	615	0.8
Spain 4.65% 2025	€420,000	268	0.4
Spain 4.2% 2037	€170,000	91	0.1
<b>Sweden - 0.3%</b>			
Sweden 4.25% 2019	SEK 2,230,000	249	0.3
<b>Qatar - 0.9%</b>			
Qatar 5.15% 2014	\$150,000	101	0.1
Qatar 4% 2015	\$850,000	572	0.8
<b>United States of America - 14.7%</b>			
US Treasury 0.375% 2015	\$690,000	441	0.6
US Treasury 1.5% 2019	\$1,500,000	991	1.4
US Treasury 1.875% 2019	\$760,000	631	0.9
US Treasury 3.625% 2020	\$3,137,000	2,372	3.3
US Treasury 2% 2022	\$3,500,000	2,339	3.2
US Treasury 5.375% 2031	\$616,000	584	0.8
US Treasury 4.5% 2038	\$450,000	400	0.6
US Treasury 4.375% 2039	\$660,000	579	0.8
US Treasury 4.5% 2039	\$1,170,000	1,045	1.5
US Treasury 3.125% 2041	\$1,650,000	1,172	1.6
<b>Corporate debt - 15.7% (20.2%)</b>			
<b>Austria - 2.0%</b>			
Autobahnen und Schnellstr 4.125% 2014	€1,083,000	898	1.2
Oesterreichische Kontrollbank 3.5% 2014	€750,000	617	0.8
<b>Australia - 1.1%</b>			
Commonwealth Bank of Australia 2.625% 2017	€950,000	788	1.1
<b>Canada - 0.5%</b>			
Xstrata Finance 5.25% 2017	€430,000	383	0.5
<b>Finland - 0.6%</b>			
Nordea Bank 2.375% 2017	€500,000	413	0.6
<b>France - 3.7%</b>			
Autoroutes Paris 5% 2017	€300,000	258	0.4
BNP Paribas 3.375% 2017	€500,000	426	0.6
Casino Guichard-Perrachon 5.5% 2015	€300,000	257	0.4
Cse D'Amort Dette 1.375% 2014	\$900,000	579	0.8
Societe de Financement 3% 2014	€900,000	735	1.0
Societe Generale 3.75% EMTN 2017	€400,000	328	0.5
<b>Netherlands - 3.1%</b>			
ING Bank 3% 2014	€450,000	370	0.5
ING Bank 3.375% 2014	€650,000	533	0.7
NIBC Bank 3.5% 2014	€500,000	412	0.6
Rabobank 3.375% 2017	€500,000	418	0.6
Rabobank 4.2% 2014	\$800,000	535	0.7
<b>Spain - 0.5%</b>			
Instituto de Credito Oficial 5.5% 2012	AUD 550,000	366	0.5
<b>United Kingdom - 3.0%</b>			
Abbey National Treasury Services 3.375% 2015	€200,000	165	0.2
BAA Funding 'A' FRN 2016	€350,000	292	0.4
Barclays Bank 3.625% 2016	€610,000	521	0.7
BAT International Finance 5.375% 2017	€500,000	464	0.6
Lloyds Banking Group 6.25% 2014	€300,000	253	0.3
Royal Bank of Scotland 4% 2016	€330,000	284	0.4
Royal Bank of Scotland 4.875% 2015	€350,000	292	0.4
<b>United States of America - 1.2%</b>			
Bank of America 4.625% 2017	€350,000	293	0.4
BMW US Capital 1.25% 2016	€400,000	314	0.4
Citigroup 6.5% 2013	\$390,000	261	0.4
<b>Supra-National Bank - 5.0% (5.9%)</b>			
European Investment Bank 1.125% 2017	\$2,000,000	1,273	1.8
European Union 2.5% 2015	€2,766,000	2,314	3.2

# Portfolio statement – continued

As at 31 July 2012

Investment	Holding	Market value £'000	Total net assets %
<b>Forward currency contracts – 0.6% (0.7%)</b>			
<b>Australian Dollar</b>			
Sell AUD 3,228,438 buy £2,107,701 dated 07/08/12		(58)	(0.1)
Sell AUD 382,744 buy £254,549 dated 06/09/12		(1)	-
<b>Canadian Dollar</b>			
Sell CAD 1,409,898 buy £885,223 dated 07/08/12		(13)	-
<b>Euro</b>			
Buy €175,902 sell £136,989 dated 07/08/12		1	-
Buy €288,644 sell £228,221 dated 07/08/12		(2)	-
Sell €37,992,681 buy £30,465,404 dated 07/08/12		713	1.0
Sell €1,862,990 buy £1,461,683 dated 06/09/12		2	-
Sell €279,098 buy £218,595 dated 06/09/12		-	-
<b>Danish Krone</b>			
Sell DKK 5,139,080 buy £557,593 dated 07/08/12		17	-
<b>Japanese Yen</b>			
Buy ¥31,343,013 sell £251,470 dated 07/08/12		4	-
Sell ¥2,038,053,191 buy £16,384,720 dated 07/08/12		(233)	(0.3)
Sell ¥98,068,639 buy £810,231 dated 06/09/12		10	-
<b>Mexican Peso</b>			
Sell MXN10,860,409 buy £516,439 dated 07/08/12		(6)	-
<b>Swedish Krona</b>			
Sell SEK 2,010,825 buy £185,023 dated 07/08/12		(3)	-
<b>US Dollar</b>			
Buy \$162,830 sell £103,639 dated 07/08/12		-	-
Buy \$1,327,698 sell £852,262 dated 07/08/12		(6)	-
Buy \$410,700 sell £261,726 dated 06/09/12		-	-
Sell \$25,109,283 buy £16,052,232 dated 07/08/12		44	-
Sell \$81,354 buy £51,827 dated 07/08/12		-	-
Sell \$460,252 buy £296,981 dated 06/09/12		3	-
<b>South African Rand</b>			
Sell ZAR 5,423,177 buy £423,190 dated 07/08/12		1	-
<b>Futures – 0.0% (0.0%)</b>			
Australia 10 Year Bond Futures Sep 2012	35	(25)	-
Australia 3 Year Bond Futures Sep 2012	(22)	6	-
Euro BOBL Futures Sep 2012	(83)	(7)	-
Euro Bund Futures Sep 2012	(35)	(70)	-
Euro-Schatz Futures Sep 2012	(111)	(18)	-
JGB Mini 10 Year Note Futures Sep 2012	20	-	-
US 2 Year Note Futures Sep 2012	53	5	-
US 5 Year Note Futures Sep 2012	83	39	-
US 10 Year Note Futures Sep 2012	77	37	-
<b>Liquidity funds – 2.8% (0.6%)</b>			
JPM Sterling Liquidity 'X' (Income)^\$	2,020,000	2,020	2.8
<b>Investment assets (including investment liabilities)</b>		<b>70,901</b>	<b>97.6</b>
<b>Net other assets</b>		<b>1,719</b>	<b>2.4</b>
<b>Net assets</b>		<b>72,620</b>	<b>100.0</b>

Portfolio credit ratings	Market value £'000
AAA	33,899
AA+	2,829
AA	1,626
AA-	1,096
A+	17,051
A	1,479
A-	1,063
BBB+	1,006
BBB	5,901
BBB-	2,491
<b>Total bonds</b>	<b>68,441</b>
Forward currency contracts	473
Futures	(33)
Liquidity funds	2,020
<b>Investment assets (including investment liabilities)</b>	<b>70,901</b>

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

The comparative percentage figures in brackets are at 31 January 2012.

^ Deemed to be investment in related parties of the ACD

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

## Portfolio movements

For the six months ending 31 July 2012

	£'000		£'000
<b>Total of all purchases for the period</b>	<b>64,139</b>	<b>Total of all sales for the period</b>	<b>44,934</b>
<b>Major purchases</b>	<b>Cost</b>	<b>Major sales</b>	<b>Proceeds</b>
JPM Sterling Liquidity 'X' (Income)^	19,575	JPM Sterling Liquidity 'X' (Income)^	17,855
Germany 1.75% 2015	4,169	European Investment Bank 2.5% 2015	2,122
European Union 2.5% 2015	3,716	European Union 2.5% 2015	1,612
US Treasury 2% 2022	2,309	Italy 5.625% 2012	1,545
European Investment Bank 2.5% 2015	1,699	US Treasury 3.125% 2019	1,447
Germany 2.75% 2016	1,617	European Union 3.125% 2015	1,420
Australia FRN 2015	1,539	Germany 2.75% 2016	1,392
Italy 5.625% 2012	1,499	European Investment Bank 3.125% 2015	1,391
European Investment Bank 3.125% 2015	1,404	Japan 0.5% 2013	952
Spain 5.85% 2022	1,368	Italy 4.75% 2021	941
European Investment Bank 1.125% 2017	1,268	Belgium 3.5% 2014	800
Japan 1% 2021	1,200	Germany 3.75% 2015	749
US Treasury 3.125% 2041	1,147	European Union 2.875% 2028	748
Germany 2% 2022	1,133	Spain 5.85% 2022	658
Germany 4.75% 2028	967	Singapore 2.25% 2013	620
US Treasury 1.5% 2019	962	Japan 1.7% 2016	617
Germany 3.75% 2015	878	Spain 3.25% 2016	599
Japan 1.9% 2025	821	Germany 2% 2022	563
Belgium 3% 2019	808	Societe de Financement 2.125% 2012	563
Spain 4.25% 2016	798	Germany 1.75% 2015	551

^ Deemed to be investment in related parties of the ACD

# Financial statements

## Statement of total return

(Unaudited)

For the six months ending 31 July

	£'000	2012 £'000	£'000	2011 £'000
Income				
Net capital gains		1,370		469
Revenue	654		599	
Expenses	(202)		(142)	
Net revenue before taxation	452		457	
Taxation	-		-	
Net revenue after taxation		452		457
<b>Total return before distributions</b>		<b>1,822</b>		<b>926</b>
Finance costs: Distributions		(452)		(455)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>1,370</b>		<b>471</b>

## Statement of change in net assets attributable to shareholders

(Unaudited)

For the six months ending 31 July

	£'000	2012 £'000	£'000	2011 £'000
<b>Opening net assets attributable to shareholders</b>		<b>53,043</b>		<b>53,404</b>
Amounts receivable on issue of shares	20,946		8,403	
Amounts payable on cancellation of shares	(3,211)		(12,054)	
		17,735		(3,651)
Change in net assets attributable to shareholders from investment activities (see above)		1,370		471
Retained distributions on accumulation shares		472		429
Unclaimed distributions		-		1
<b>Closing net assets attributable to shareholders</b>		<b>72,620</b>		<b>50,654</b>

As the comparatives in the above table are for the previous interim period, the net assets at the end of that period will not agree to the net assets at the start of the current period.

## Balance sheet

(Unaudited)

As at

	31 July 2012		31 January 2012	
	£'000	£'000	£'000	£'000
<b>ASSETS</b>				
Investment assets		71,343		52,227
Debtors	683		1,036	
Cash and bank balances	1,400		525	
<b>Total other assets</b>		<b>2,083</b>		<b>1,561</b>
<b>Total assets</b>		<b>73,426</b>		<b>53,788</b>
<b>LIABILITIES</b>				
Investment liabilities		(442)		(140)
Creditors	(351)		(589)	
Distribution payable on income shares	(13)		(16)	
<b>Total other liabilities</b>		<b>(364)</b>		<b>(605)</b>
<b>Total liabilities</b>		<b>(806)</b>		<b>(745)</b>
<b>Net assets attributable to shareholders</b>		<b>72,620</b>		<b>53,043</b>

# JPM Global Financials Fund

## Investment objective and policy

To provide capital growth over the long term by investing throughout the world primarily in financial services sectors.

The Fund will primarily invest in shares of financial services sector companies globally and will have exposure to Emerging Markets. Smaller company investments may be held on an ancillary basis.

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

## Risk profile

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

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

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

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

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

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

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

## Fund review

The six months under review was a volatile period for global equity markets. The US was the best performing region, with macroeconomic data in February and March particularly supportive for equities, while US housing data beat expectations. The worst performing region was Japan, which suffered from a strengthening Yen and weak export data. In Europe, concerns around a potential Greek exit from the Euro and the insolvency of the Spanish banking sector weighed on sentiment. However, the president of the European Central Bank said that policymakers would do 'whatever it takes' to preserve the Euro. Emerging markets was one of the worst performing regions despite two interest rate cuts in China.

The Fund underperformed its benchmark in the period. Stock selection was particularly poor in the US. On a sub-sector basis, stock selection in life & health insurance, regional banks, capital markets brokerage and global retail banks detracted from relative returns, as did an underweight position in REITs. We continue to like emerging banks, especially in Asia. We remain overweight in insurance companies. Despite the risky environment we have maintained some exposure to value stocks, particularly in European banks.

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).

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

Source: J.P. Morgan.

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

## Fund outlook

Investors continue to hope for a further round of quantitative easing from the US Federal Reserve, but concerns are also mounting over the extent to which stimulus measures can have a long-term impact on economic fundamentals. However, it is difficult to envisage a US recession given the improving housing market, higher disposable incomes and the need for companies to rebuild inventories. In Europe, policymakers appear to be moving in the direction of greater political and fiscal union, but structural reform to stimulate growth is still lacking. Any stabilisation in the Eurozone in particular could have a dramatic impact on business and consumer confidence.

## 12 month performance to 31 July

	2012	2011	2010	2009	2008
<b>JPM Global Financials A-Class Acc</b>	<b>-10.3%</b>	<b>-4.6%</b>	<b>12.7%</b>	<b>-19.7%</b>	<b>-24.8%</b>
Benchmark Index	-3.5%	-0.6%	13.6%	-16.8%	-24.2%

## Six month performance to 31 July 2012

<b>JPM Global Financials A-Class Acc</b>	<b>-2.4%</b>
Benchmark Index	2.5%

## Fund statistics

Risk and Reward Profile	7
Fund size	£94.9m
Benchmark Index	<b>MSCI World Financials Index (Net)</b>
Fund charges	<b>Initial 4.25%, Annual 1.50%</b>

## Top ten holdings (excluding Liquidity funds) %

Wells Fargo	5.1
Citigroup	3.9
HSBC	3.5
Prudential Financial	2.9
Prudential	2.6
Metlife	2.6
Australia & New Zealand Bank Group	2.6
ACE	2.5
China Construction Bank 'H'	2.3
Westpac Banking	2.2

## Geographical breakdown

	%
United States of America	40.2
United Kingdom	11.3
China	7.2
Australia	6.1
Canada	5.2
France	4.5
India	4.4
Hong Kong	3.9
Switzerland	3.5
Liquidity funds	2.1
Spain	2.1
Germany	1.9
Japan	1.7
Netherlands	1.6
South Africa	1.1
South Korea	1.1
Sweden	0.6
Italy	0.5
Forward currency contracts	0.7
Net other assets	0.3

## Highest/lowest share price and distribution record

Calendar year	Highest share price	Lowest share price	Distribution per share (net)
<b>A-Class Accumulation Shares</b>			
2007	899.1p	729.8p	7.74p
2008	788.5p	341.5p	11.55p
2009	610.9p	276.2p	17.59p
2010	626.5p	510.7p	4.99p
2011	611.0p	395.3p	3.87p
2012 <sup>a</sup>	534.0p	442.7p	5.25p
<b>A-Class Income Shares<sup>b</sup></b>			
2007	54.22p	45.89p	-
2008	49.58p	21.44p	0.07p
2009	36.59p	16.54p	1.11p
2010	37.16p	30.29p	0.30p
2011	35.99p	23.29p	0.23p
2012 <sup>a</sup>	31.13p	25.81p	0.31p

<sup>a</sup> To 31 July 2012.

<sup>b</sup> A-Class Income Shares were launched on 1 September 2007.

## Portfolio turnover rate

31.01.12	65.8%
31.07.12	26.8%

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.

## Net asset values and Ongoing charges

Date	Net asset value per share class £'000	Number of shares	Net asset value per share	Ongoing charges
<b>A-Class Accumulation Shares</b>				
31.01.10	132,596	25,230,201	525.5p	1.67%
31.01.11	133,703	22,846,645	585.2p	1.68%
31.01.12	100,024	20,430,665	489.6p	1.68%
31.07.12	92,989	19,463,038	477.8p	1.68%
<b>A-Class Income Shares</b>				
31.01.10 <sup>c</sup>	3,536	11,341,855	31.18p	1.67%
31.01.11 <sup>c</sup>	4,544	13,177,476	34.48p	1.68%
31.01.12 <sup>c</sup>	1,941	6,800,801	28.54p	1.68%
31.07.12	1,908	6,851,491	27.85p	1.68%

<sup>c</sup> The net asset value and the net asset value per income share are shown ex-dividend at the financial year end.

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 and any fixed 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 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 31 July 2012

Investment	Holding	Market value £'000	Total net assets %
<b>United States of America - 40.2% (37.4%)</b>			
ACE	49,587	2,325	2.5
AFLAC	18,183	508	0.4
American Express	29,739	1,105	1.2
Ameriprise Financial	45,324	1,509	1.6
Annaly Capital Management 'A'	152,700	1,688	1.8
Axis Capital	26,331	565	0.6
Bank of America	434,009	2,012	2.1
Capital One Financial	32,051	1,162	1.2
Citigroup	216,413	3,743	3.9
CME Group 'A'	26,340	879	0.9
Everest Re Group	19,021	1,266	1.3
Goldman Sachs Group	31,820	2,046	2.2
Hartford Financial Services Group	101,063	1,055	1.1
Invesco	47,419	673	0.7
Metlife	124,900	2,441	2.6
Morgan Stanley	226,623	1,951	2.1
NYSE Euronext	59,527	984	1.0
PNC Financial Services Group	32,458	1,238	1.3
Prudential Financial	87,832	2,720	2.9
State Street	73,806	1,891	2.0
US Bancorp Delaware	75,873	1,632	1.7
Wells Fargo	221,872	4,802	5.1
<b>United Kingdom - 11.3% (11.4%)</b>			
Barclays	782,523	1,312	1.4
HSBC	629,107	3,361	3.5
Lloyds Banking Group	3,431,378	1,054	1.1
London Stock Exchange Group	95,884	942	1.0
Prudential	315,795	2,444	2.6
Royal Bank of Scotland Group	258,656	563	0.6
Standard Chartered	72,541	1,074	1.1
<b>China - 7.2% (5.3%)</b>			
China Construction Bank 'H'	5,114,770	2,200	2.3
China Merchants Bank 'H'	1,688,000	1,985	2.1
China Minsheng Banking 'H'	1,260,000	744	0.8
Industrial & Commercial Bank of China 'H'	1,396,000	510	0.5
Ping An Insurance 'H'	280,000	1,398	1.5
<b>Australia - 6.1% (6.4%)</b>			
Australia & New Zealand Bank Group	154,386	2,436	2.6
National Australia Bank	73,300	1,226	1.3
Westpac Banking	136,667	2,127	2.2
<b>Canada - 5.2% (3.2%)</b>			
Bank of Nova Scotia	47,494	1,577	1.7
Manulife Financial	73,944	503	0.5
Royal Bank of Canada	46,626	1,535	1.6
Toronto-Dominion Bank	27,084	1,362	1.4
<b>France - 4.5% (4.0%)</b>			
AXA	188,927	1,491	1.6
BNP Paribas	47,265	1,155	1.2
Societe Generale	113,340	1,649	1.7
<b>India - 4.4% (4.1%)</b>			
Axis Bank	63,389	758	0.8
Housing Development Finance	72,299	571	0.6
Infrastructure Development Finance	548,188	844	0.9
Yes Bank	480,909	2,009	2.1
<b>Hong Kong - 3.9% (3.8%)</b>			
Aia Group	329,600	738	0.8
China Overseas Land & Investments	552,000	832	0.9
Henderson Land Development	309,000	1,148	1.2
Sun Hung Kai Properties	120,000	955	1.0
<b>Switzerland - 3.5% (5.8%)</b>			
Credit Suisse	83,839	909	1.0
Swiss Reinsurance	17,066	683	0.7
UBS	40,813	276	0.3
Zurich Financial Services	9,974	1,424	1.5
<b>Spain - 2.1% (2.7%)</b>			
Banco Bilbao Vizcaya Argentaria	162,891	689	0.7
Banco Santander	319,774	1,260	1.4
Banco Santander RFD	9,992	39	-

Investment	Holding	Market value £'000	Total net assets %
<b>Germany - 1.9% (2.0%)</b>			
Allianz	28,124	1,801	1.9
<b>Japan - 1.7% (2.5%)</b>			
Mitsubishi UFJ Financial Group	278,700	861	0.9
Sumitomo Mitsui Financial Group	39,400	799	0.8
<b>Netherlands - 1.6% (1.3%)</b>			
ING Bank	365,084	1,551	1.6
<b>South Africa - 1.1% (1.1%)</b>			
African Bank Investments	366,642	1,055	1.1
<b>South Korea - 1.1% (1.0%)</b>			
Samsung Fire & Marine	8,449	1,008	1.1
<b>Sweden - 0.6% (0.0%)</b>			
Nordea Bank	94,773	566	0.6
<b>Italy - 0.5% (0.0%)</b>			
Unicredit	223,991	505	0.5
<b>Forward currency contracts - 0.7% (0.5%)</b>			
<b>Australian Dollar</b>			
Buy AUD 6,149,943 sell £3,923,291 dated 13/09/12		188	0.2
Sell AUD 887,509 buy £567,079 dated 13/09/12		(26)	-
Sell AUD 298,920 buy £292,171 dated 13/09/12		(13)	-
<b>Canadian Dollar</b>			
Buy CAD 5,889,160 sell £3,689,503 dated 13/09/12		57	0.1
Sell CAD 656,469 buy £408,730 dated 13/09/12		(9)	-
<b>Euro</b>			
Buy €950,950 sell £742,220 dated 13/09/12		3	-
Buy €2,148,200 sell £1,722,034 dated 13/09/12		(39)	-
Sell €3,139,691 buy £2,519,421 dated 13/09/12		59	0.1
Sell €1,009,798 buy £789,775 dated 13/09/12		(1)	-
<b>Hong Kong Dollar</b>			
Buy HKD 12,864,493 sell £1,066,578 dated 13/09/12		(9)	-
Sell HKD 38,980,851 buy £3,233,566 dated 13/09/12		28	-
<b>Japanese Yen</b>			
Buy ¥89,119,558 sell £718,816 dated 13/09/12		8	-
Buy ¥776,808,580 sell £6,351,384 dated 13/09/12		(15)	-
Sell ¥136,176,440 buy £1,117,910 dated 13/09/12		7	-
<b>Norwegian Krone</b>			
Buy NOK 3,062,969 sell £324,276 dated 13/09/12		(1)	-
<b>Singapore Dollar</b>			
Buy SGD 3,622,107 sell £1,827,618 dated 13/09/12		29	-
<b>Swedish Krona</b>			
Buy SEK 12,685,335 sell £1,136,788 dated 13/09/12		48	-
<b>Swiss Franc</b>			
Buy CHF 1,921,862 sell £1,280,805 dated 13/09/12		(27)	-
Sell CHF 2,427,505 buy £1,636,844 dated 13/09/12		53	0.1
<b>US Dollar</b>			
Buy \$2,547,115 sell £1,619,155 dated 13/09/12		5	-
Buy \$14,516,651 sell £9,320,673 dated 13/09/12		(66)	(0.1)
Sell \$354,672 buy AUD 359,441 dated 13/09/12		14	-
Sell \$1,366,102 buy £1,081,098 dated 13/09/12		(24)	-
Sell \$29,396,718 buy £18,992,792 dated 13/09/12		250	0.3
Sell \$840,257 buy £535,383 dated 13/09/12		-	-
<b>Liquidity funds - 2.1% (5.6%)</b>			
JPM Sterling Liquidity 'X' (Income)^\$	2,000,447	2,000	2.1
<b>Investment assets (including investment liabilities)</b>		<b>94,643</b>	<b>99.7</b>
<b>Net other assets</b>		<b>254</b>	<b>0.3</b>
<b>Net assets</b>		<b>94,897</b>	<b>100.0</b>

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

The comparative percentage figures in brackets are at 31 January 2012.

^ Deemed to be investment in related parties of the ACD

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

## Portfolio movements

For the six months ending 31 July 2012

	£'000		£'000
<b>Total of all purchases for the period</b>	<b>38,993</b>	<b>Total of all sales for the period</b>	<b>42,284</b>
<b>Major purchases</b>	<b>Cost</b>	<b>Major sales</b>	<b>Proceeds</b>
JPM Sterling Liquidity 'X' (Income)^	15,865	JPM Sterling Liquidity 'X' (Income)^	19,531
Bank of Nova Scotia	1,636	Wells Fargo	1,484
Toronto-Dominion Bank	1,392	Royal Bank of Canada	1,426
NYSE Euronext	1,151	Credit Suisse Rights 2012	1,225
ING Bank	1,122	MacQuarie Group	1,049
CME Group 'A'	998	Grupo Financiero Banorte 'O'	1,036
Credit Suisse Rights 2012	992	AFLAC	1,011
London Stock Exchange Group	991	Resolution	988
Prudential Financial	990	China Resources Land	915
Citigroup	963	Citigroup	906
Axis Bank	954	UBS	850
Morgan Stanley	889	Bank of America	793
China Overseas Land & Investments	708	HSBC	768
China Minsheng Banking 'H'	704	State Street	627
Ping An Insurance 'H'	648	Morgan Stanley	621
Societe Generale	622	Prudential Financial	614
Unicredit	556	Infrastructure Development Finance	547
Axis Capital	556	Zurich Financial Services	532
Nordea Bank	524	Prudential	515
Banco Santander	485	Banco Santander	477

^ Deemed to be investment in related parties of the ACD

# Financial statements

## Statement of total return

(Unaudited)

For the six months ending 31 July

	£'000	2012 £'000	£'000	2011 £'000
Income				
Net capital losses		(3,166)		(12,547)
Revenue	1,831		2,014	
Expenses	(834)		(1,081)	
Net revenue before taxation	997		933	
Taxation	(139)		(152)	
Net revenue after taxation		858		781
<b>Total return before distributions</b>		<b>(2,308)</b>		<b>(11,766)</b>
Finance costs: Distributions		(15)		(16)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(2,323)</b>		<b>(11,782)</b>

## Statement of change in net assets attributable to shareholders

(Unaudited)

For the six months ending 31 July

	£'000	2012 £'000	£'000	2011 £'000
<b>Opening net assets attributable to shareholders</b>		<b>101,965</b>		<b>138,247</b>
Amounts receivable on issue of shares	7,555		552	
Amounts payable on cancellation of shares	(12,298)		(9,401)	
		(4,743)		(8,849)
Change in net assets attributable to shareholders from investment activities (see above)		(2,323)		(11,782)
Stamp duty reserve tax		(2)		(2)
<b>Closing net assets attributable to shareholders</b>		<b>94,897</b>		<b>117,614</b>

As the comparatives in the above table are for the previous interim period, the net assets at the end of that period will not agree to the net assets at the start of the current period.

## Balance sheet

(Unaudited)

As at

	31 July 2012		31 January 2012	
	£'000	£'000	£'000	£'000
<b>ASSETS</b>				
Investment assets		94,873		101,098
Debtors	619		862	
Cash and bank balances	377		686	
<b>Total other assets</b>		<b>996</b>		<b>1,548</b>
<b>Total assets</b>		<b>95,869</b>		<b>102,646</b>
<b>LIABILITIES</b>				
Investment liabilities		(230)		(121)
Creditors	(742)		(539)	
Distribution payable on income shares	-		(21)	
<b>Total other liabilities</b>		<b>(742)</b>		<b>(560)</b>
<b>Total liabilities</b>		<b>(972)</b>		<b>(681)</b>
<b>Net assets attributable to shareholders</b>		<b>94,897</b>		<b>101,965</b>

# JPM Global Fund

## Investment objective and policy

To provide capital growth over the long term by investing throughout the world in any economic sector.

The Fund will primarily invest in shares of companies globally and will have exposure to Emerging Markets. Smaller company investments may be held on an ancillary basis.

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

## Risk profile

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

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

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

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

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

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

## Fund review

The six months under review was a volatile period for global equity markets. The US was the best performing region, with macroeconomic data in February and March particularly supportive for equities, while US housing data beat expectations. The worst performing region was Japan, hurt by a strengthening yen and weak export data. In Europe, concerns about Greece and Spain weighed on sentiment. However, the president of the European Central Bank said that policymakers would do 'whatever it takes' to preserve the euro. Emerging markets was one of the worst performing regions despite two interest rate cuts in China.

The Fund delivered a positive return in the review period, but underperformed its benchmark. Stock selection in financials, telecoms and energy sectors detracted from relative performance, while stock selection in information technology and healthcare contributed positively. On a regional basis, stock selection in emerging markets and Japan detracted the most from relative returns, while stock selection in Europe ex UK made a positive contribution. At the stock level, the biggest detractors from performance were Gree Inc., Barclays and Cummins. The top positive contributors were Apple and Anheuser-Busch Inbev.

## Fund outlook

Investors continue to hope for a further round of quantitative easing from the US Federal Reserve, but concerns are also mounting over the extent to which stimulus measures can have a long-term impact on economic fundamentals. However, it is difficult to envisage a US recession given the improving housing market, higher disposable incomes and the need for companies to rebuild inventories. In Europe, policymakers appear to be moving in the direction of greater political and fiscal union, but structural reform to stimulate growth is still lacking. Any stabilisation in the eurozone in particular could have a dramatic impact on business and consumer confidence.

## 12 month performance to 31 July

	2012	2011	2010	2009	2008
<b>JPM Global A-Class Acc</b>	<b>-2.6%</b>	<b>8.7%</b>	<b>15.7%</b>	<b>-6.8%</b>	<b>-9.0%</b>
Benchmark Index	2.7%	13.1%	16.3%	-6.3%	-8.6%

## Six month performance to 31 July 2012

<b>JPM Global A-Class Acc</b>	<b>1.5%</b>
Benchmark Index	2.9%

## Fund statistics

Risk and Reward Profile	<b>6</b>
Fund size	<b>£156.7m</b>
Benchmark Index	<b>MSCI World Index (Net)</b>
Fund charges	<b>Initial 4.25%, Annual 1.50%</b>

## Top ten holdings (excluding Liquidity funds)

	%
Apple	3.8
Teva Pharmaceutical Industries ADR	3.3
Volkswagen Non-Voting Preference	3.1
Royal Dutch Shell 'B'	2.9
Merck & Co	2.6
Google 'A'	2.5
Unilever	2.4
TOTAL S.A.	2.4
Anheuser-Busch InBev	2.3
Bayer	2.3

You should remember that past performance is not a guide to the future. The price of investments and the income from them may fall as well as rise and investors may not get back the full amount invested. For specific risks, including the risk and reward profile, please refer to the Key Investor Information Document (KIID).

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

Source: J.P. Morgan.

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

## Geographical breakdown

	%
United States of America	37.7
United Kingdom	16.2
France	7.9
Liquidity funds	7.2
Germany	6.2
Switzerland	6.0
China	5.2
Israel	3.3
Japan	2.3
Belgium	2.3
Hong Kong	1.2
India	1.1
Denmark	0.9
Canada	0.7
Indonesia	0.5
Netherlands	0.5
Net other assets	0.8

## Highest/lowest share price and distribution record

Calendar year	Highest share price	Lowest share price	Distribution per share (net)
<b>A-Class Accumulation Shares</b>			
2007	692.9p	611.1p	1.49p
2008	690.4p	425.3p	2.62p
2009	654.1p	412.5p	7.03p
2010	719.8p	601.4p	4.33p
2011	734.1p	561.1p	5.06p
2012 <sup>A</sup>	705.5p	628.8p	4.29p
<b>A-Class Income Shares<sup>B</sup></b>			
2007	53.98p	49.05p	-
2008	53.80p	33.14p	0.00p
2009	50.30p	31.72p	0.54p
2010	54.96p	45.92p	0.34p
2011	55.65p	42.54p	0.38p
2012 <sup>A</sup>	53.14p	47.32p	0.33p

<sup>A</sup> To 31 July 2012.

<sup>B</sup> A-Class Income Shares were launched on 1 September 2007.

## Portfolio turnover rate

31.01.12	189.4%
31.07.12	52.6%

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

## Net asset values and Ongoing charges

Date	Net asset value per share class £'000	Number of shares	Net asset value per share	Ongoing charges
<b>A-Class Accumulation Shares</b>				
31.01.10	173,850	28,279,343	614.8p	1.67%
31.01.11	185,321	26,234,672	706.4p	1.68%
31.01.12	160,567	24,211,529	663.2p	1.67%
31.07.12	155,821	23,158,334	672.9p	1.68%
<b>A-Class Income Shares</b>				
31.01.10 <sup>C</sup>	402	855,589	46.94p	1.68%
31.01.11 <sup>C</sup>	563	1,051,084	53.56p	1.68%
31.01.12 <sup>C</sup>	695	1,391,386	49.95p	1.68%
31.07.12	905	1,786,824	50.63p	1.68%

<sup>C</sup> The net asset value and the net asset value per income share are shown ex-dividend at the financial year end.

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 and any fixed 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 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 31 July 2012

Investment	Holding	Market value £'000	Total net assets %
<b>United States of America - 37.7% (42.6%)</b>			
Adobe Systems	76,732	1,516	1.0
American Express	48,664	1,808	1.2
Anadarko Petroleum	57,125	2,614	1.7
Apache	33,445	1,868	1.2
Apple	15,637	5,931	3.8
Capital One Financial	66,652	2,417	1.5
Chevron	45,805	3,209	2.0
Citigroup	106,148	1,836	1.2
Comcast 'A'	110,644	2,271	1.5
Covidien	95,320	3,401	2.2
Cummins	27,494	1,586	1.0
Dow Chemical	132,069	2,428	1.5
Google 'A'	9,808	3,954	2.5
Merck & Co	146,148	4,146	2.6
Metlife	73,003	1,427	0.9
Norfolk Southern	74,340	3,515	2.2
Occidental Petroleum	42,904	2,441	1.6
Prudential Financial	65,968	2,043	1.3
United Health Group	51,982	1,765	1.1
United Technologies	16,113	770	0.5
Veeco	83,980	1,866	1.2
VF	17,329	1,660	1.1
Walt Disney	49,996	1,587	1.0
Wells Fargo	139,317	3,016	1.9
<b>United Kingdom - 16.2% (15.2%)</b>			
AstraZeneca	118,644	3,553	2.3
Aviva	444,987	1,316	0.8
Barclays	1,108,066	1,858	1.2
BG Group	132,443	1,701	1.1
Prudential	254,861	1,973	1.2
Royal Dutch Shell 'B'	198,164	4,495	2.9
Unilever	168,604	3,854	2.4
Vodafone Group	1,880,685	3,460	2.2
Xstrata	379,111	3,241	2.1
<b>France - 7.9% (8.5%)</b>			
AXA	227,802	1,798	1.1
PPR	19,166	1,840	1.2
Sanofi	64,919	3,392	2.2
Schneider Electric	43,278	1,584	1.0
TOTAL S.A.	126,296	3,753	2.4
<b>Germany - 6.2% (4.7%)</b>			
Bayer	72,927	3,580	2.3
Rheinmetall	37,237	1,202	0.8
Volkswagen Non-Voting Preference	44,751	4,908	3.1
<b>Switzerland - 6.0% (4.7%)</b>			
Compagnie Financiere Richemont 'A'	69,250	2,545	1.6
Nestle	82,388	3,216	2.1
Novartis	95,491	3,563	2.3
<b>China - 5.2% (4.3%)</b>			
Baidu ADS	28,142	2,176	1.4
China Merchants Bank 'H'	1,247,669	1,467	0.9
Hengdeli Holdings	3,656,000	649	0.4
Industrial & Commercial Bank of China 'H'	4,596,000	1,678	1.1
Perfect World ADR 'B'	137,018	832	0.5
Want Want China	916,000	709	0.5
West China Cement	6,800,000	654	0.4
<b>Israel - 3.3% (1.9%)</b>			
Teva Pharmaceutical Industries ADR	198,710	5,221	3.3
<b>Japan - 2.3% (3.4%)</b>			
Gree	82,700	837	0.5
Komatsu	87,700	1,256	0.8
SMC	14,400	1,553	1.0
<b>Belgium - 2.3% (1.8%)</b>			
Anheuser-Busch InBev	72,812	3,620	2.3
<b>Hong Kong - 1.2% (3.3%)</b>			
Emperor Watch And Jewellery	10,150,000	576	0.4
Franshion Properties	6,284,000	1,230	0.8
<b>India - 1.1% (2.0%)</b>			
Yes Bank	398,371	1,665	1.1

Investment	Holding	Market value £'000	Total net assets %
<b>Denmark - 0.9% (0.8%)</b>			
Carlsberg 'B'	26,747	1,402	0.9
<b>Canada - 0.7% (0.6%)</b>			
First Quantum Minerals	99,017	1,148	0.7
<b>Indonesia - 0.5% (0.7%)</b>			
Bank Rakyat Indonesia	1,735,500	819	0.5
<b>Netherlands - 0.5% (1.0%)</b>			
KPN	153,004	794	0.5
<b>Liquidity funds - 7.2% (4.6%)</b>			
JPM Sterling Liquidity 'X' (Income)^\$	11,251,331	11,251	7.2
<b>Investment assets</b>		<b>155,444</b>	<b>99.2</b>
<b>Net other assets</b>		<b>1,282</b>	<b>0.8</b>
<b>Net assets</b>		<b>156,726</b>	<b>100.0</b>

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

The comparative percentage figures in brackets are at 31 January 2012.

^ Deemed to be investment in related parties of the ACD

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

## Portfolio movements

For the six months ending 31 July 2012

	£'000		£'000
<b>Total of all purchases for the period</b>	<b>75,364</b>	<b>Total of all sales for the period</b>	<b>82,507</b>
<b>Major purchases</b>	<b>Cost</b>	<b>Major sales</b>	<b>Proceeds</b>
JPM Sterling Liquidity 'X' (Income)^	27,869	JPM Sterling Liquidity 'X' (Income)^	24,050
Cummins	3,383	Apple	3,224
AstraZeneca	3,278	Abbott Laboratories	3,075
Walt Disney	3,214	Comcast 'A'	2,369
Xstrata	3,185	BHP Billiton	2,247
Teva Pharmaceutical Industries ADR	2,417	Cisco Systems	2,187
Capital One Financial	2,378	Walt Disney	2,145
Barclays	1,921	British American Tobacco	2,105
Volkswagen Non-Voting Preference	1,834	Vivendi	1,886
Metlife	1,800	Time Warner	1,806
Anritsu	1,677	Virgin Media	1,611
Gree	1,626	Xstrata	1,583
TOTAL S.A.	1,609	TOTAL S.A.	1,575
ING Bank	1,575	Emerson Electric	1,571
Schneider Electric	1,573	ING Bank	1,563
Baidu ADS	1,459	Anritsu	1,554
Novartis	1,398	Guess	1,527
Citigroup	879	Annaly Capital Management 'A'	1,512
Emperor Watch And Jewellery	870	Prudential Financial	1,467
Reckitt Benckiser Group	845	Mitsubishi	1,432

^ Deemed to be investment in related parties of the ACD

# Financial statements

## Statement of total return

(Unaudited)

For the six months ending 31 July

	2012	2011
	£'000	£'000
Income		
Net capital gains/(losses)	1,209	(4,968)
Revenue	2,821	2,825
Expenses	(1,332)	(1,476)
Net revenue before taxation	1,489	1,349
Taxation	(299)	(293)
Net revenue after taxation	1,190	1,056
<b>Total return before distributions</b>	<b>2,399</b>	<b>(3,912)</b>
Finance costs: Distributions	(32)	(23)
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>2,367</b>	<b>(3,935)</b>

## Statement of change in net assets attributable to shareholders

(Unaudited)

For the six months ending 31 July

	2012	2011
	£'000	£'000
<b>Opening net assets attributable to shareholders</b>	<b>161,262</b>	<b>185,884</b>
Amounts receivable on issue of shares	7,871	99
Amounts payable on cancellation of shares	(14,773)	(7,761)
	(6,902)	(7,662)
Change in net assets attributable to shareholders from investment activities (see above)	2,367	(3,935)
Stamp duty reserve tax	(1)	(1)
<b>Closing net assets attributable to shareholders</b>	<b>156,726</b>	<b>174,286</b>

As the comparatives in the above table are for the previous interim period, the net assets at the end of that period will not agree to the net assets at the start of the current period.

## Balance sheet

(Unaudited)

As at

	31 July 2012	31 January 2012
	£'000	£'000
<b>ASSETS</b>		
Investment assets	155,444	161,447
Debtors	608	252
Cash and bank balances	1,369	1,491
<b>Total other assets</b>	<b>1,977</b>	<b>1,743</b>
<b>Total assets</b>	<b>157,421</b>	<b>163,190</b>
<b>LIABILITIES</b>		
Creditors	(694)	(1,923)
Bank overdraft	(1)	(1)
Distribution payable on income shares	-	(4)
<b>Total liabilities</b>	<b>(695)</b>	<b>(1,928)</b>
<b>Net assets attributable to shareholders</b>	<b>156,726</b>	<b>161,262</b>

# JPM Global High Yield Bond Fund

## Investment objective and policy

To provide a high return from a diversified portfolio of Bond and other Debt Securities. The Fund will invest primarily in Bond and other Debt Securities (mainly Below Investment Grade securities or Unrated securities) of issuers in developed countries, primarily corporations and banks. The Fund may also invest in Bond and other Debt Securities of issuers of Emerging countries. The Fund will aim to hedge non-Sterling securities back to Sterling.

## Risk profile

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

Bond funds may not behave like direct investments in the underlying Bonds themselves. By investing in Bond funds, the certainty of receiving a regular fixed amount of income for a defined period of time with the prospect of a future known return of capital is lost.

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

Bonds and other Debt Securities with a lower credit rating may have a higher risk of defaulting which may in turn have an adverse effect on the performance of Funds which invest in them.

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

Bond funds will normally distribute a combination of Coupon and the expected discount/premium on the securities. Therefore, a Fund's distribution will comprise income received and an element of projected capital gains or losses. This could result in an element of capital gain being taxed as income in the hands of an investor.

To the extent that any underlying assets of the Fund are denominated in a currency other than Sterling and are not hedged back to Sterling, movements in currency exchange rates can adversely affect the return of your investment. The currency hedging that may be used to minimise the effect of currency fluctuations may not always be successful.

The Fund may invest in Structured Products which will involve additional risks including the movements in the value of the underlying asset and the risk of the issuer of the Structured Product becoming insolvent.

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

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

## Fund review

High yield has been one of the better performing asset classes, with the BofA Merrill Lynch US High Yield Master II Constrained Index Hedged to GBP Index delivering returns of approximately 6% over the six months to the end of July. In the period, large macro headlines and the risk-on/risk-off environment resulted in short-term volatility in which investor risk appetite waned, leading to a steady stream of retail outflows and a slowdown in new issue activity. Currently, however, amid the deteriorating global economic landscape, conditions in high yield remain relatively stable as investors' desire for yield and positive fundamentals continue to drive interest in the asset class.

## Fund outlook

The fundamentals of the high yield market remain sound. Despite the recent softening, we still expect modest economic growth in the US. Global growth will remain positive but will be impacted by weak economic conditions in the eurozone as well as slowing Asian growth. Although economic uncertainty has increased, we believe spreads reflect the elevated risks and valuations are attractive. We believe the demand for high yield will remain steady given the global need for yield coupled with the solid credit fundamentals and low default risk. Corporate health remains strong and company management is conservatively focused on de-leveraging. Given this and companies' proactive refinancing activities, we expect default rates to remain in the low single digits and well below historical averages of 4%. We do expect volatility to remain and we will continue to rely on our individual security selection to be the primary driver of performance.

## 12 month performance to 31 July

	2012	2011	2010	2009	2008
<b>JPM Global High Yield Bond A-Class Acc</b>	<b>6.0%</b>	<b>10.5%</b>	<b>16.8%</b>	<b>-3.0%</b>	<b>3.0%</b>
<b>JPM Global High Yield Bond B-Class Inc</b>	<b>6.4%</b>	<b>10.8%</b>	-	-	-
<b>JPM Global High Yield Bond I-Class Acc</b>	<b>6.9%</b>	<b>11.4%</b>	<b>17.7%</b>	<b>-2.1%</b>	<b>4.0%</b>
<b>JPM Global High Yield Bond X-Class Gross Acc<sup>a</sup></b>	-	-	-	-	-
Benchmark Index <sup>b</sup>	6.8%	12.9%	20.4%	0.3%	3.0%

## Six month performance to 31 July 2012

<b>JPM Global High Yield Bond A-Class Acc</b>	<b>4.6%</b>
Benchmark Index <sup>b</sup>	6.0%

You should remember that past performance is not a guide to the future. The price of investments and the income from them may fall as well as rise and investors may not get back the full amount invested. For specific risks, including the risk and reward profile, please refer to the Key Investor information Document (KIID).

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

Source: J.P. Morgan.

<sup>a</sup> The launch of this share class occurred less than 12 months ago and as a result no performance return is reported.

<sup>b</sup> Please note the benchmark for the JPM Global High Yield Bond Fund changed on 1 January 2010. The old benchmark was BofA Merrill Lynch US High Yield master II Constrained Index Hedged to GBP and the new benchmark is BofA Merrill Lynch US High Yield Master II Constrained Index hedged to GBP. However, over the period 1 January 2010 to 1 July 2012, the name of the benchmark was incorrectly reported as its predecessor although the underlying performance data was that of the correct benchmark BofA Merrill Lynch US High Yield Master II Constrained Index hedged to GBP. This has had no impact on the performance of the fund.

## Fund statistics

Risk and Reward Profile	5
Fund size	£201.4m
Benchmark Index <sup>b</sup>	BofA Merrill Lynch US High Yield Master II Constrained Index Hedged to GBP
Fund charges	
A-Class	Initial 3.50%, Annual 1.10%
B-Class	Initial Nil, Annual 0.75%
I-Class	Initial Nil, Annual 0.45%
X-Class	On application <sup>c</sup>

## Top ten holdings

	%
Sprint Capital 8.75% 2032	1.9
Harrahs Operating 11.25% 2017	1.3
HCA 7.5% 2022	1.1
Reynolds Group 9% 2019	1.1
Dish DBS 7.875% 2019	1.0
Biomet 10.375% 2017	1.0
Ally Financial 6.25% 2017	0.9
Clear Channel Worldwide 9.25% 2017	0.8
First Data 8.75% 2022	0.8
HCA 7.75% 2021	0.8

## Sector breakdown

	%
Corporate debt	89.4
Forward currency contracts	0.1
Liquidation claim	0.0
Equities	0.0
Swaps	0.0
Net other assets	10.5

## Highest/lowest share price and distribution record

Calendar year	Highest share price	Lowest share price	Distribution per share
<b>A-Class Accumulation Shares</b>			
2007	69.08p	64.74p	3.90p
2008	69.45p	43.59p	4.99p
2009	71.79p	46.39p	4.06p
2010	80.28p	70.48p	4.87p
2011	83.64p	75.53p	5.07p
2012 <sup>d</sup>	88.54p	82.44p	3.79p
<b>A-Class Income Shares</b>			
2007	44.10p	40.87p	2.51p
2008	41.62p	24.74p	2.98p
2009	38.07p	25.79p	2.23p
2010	40.07p	36.76p	2.51p
2011	40.59p	35.86p	2.46p
2012 <sup>d</sup>	40.18p	38.25p	1.75p
<b>B-Class Income Shares<sup>e</sup></b>			
2009	104.5p	100.0p	0.22p
2010	110.3p	100.8p	6.86p
2011	111.9p	99.01p	6.83p
2012 <sup>d</sup>	111.2p	105.8p	4.85p
<b>I-Class Accumulation Shares</b>			
2007	115.3p	107.8p	8.61p
2008	116.5p	73.52p	8.83p
2009	122.3p	78.39p	7.14p
2010	137.5p	120.2p	8.40p
2011	144.1p	130.3p	8.92p
2012 <sup>d</sup>	153.8p	142.5p	6.72p
<b>I-Class Gross Accumulation Shares<sup>f</sup></b>			
2007	101.2p	94.28p	3.28p
2008	103.3p	66.08p	9.34p
2009	111.5p	70.91p	7.89p
2010	127.4p	109.9p	9.72p
2011	134.9p	122.5p	10.34p
2012 <sup>d</sup>	146.1p	134.4p	7.90p
<b>I-Class Income Shares</b>			
2007	102.9p	95.45p	6.03p
2008	97.70p	58.32p	7.18p
2009	90.33p	60.96p	5.49p
2010	95.56p	87.30p	6.03p
2011	97.12p	86.07p	6.02p
2012 <sup>d</sup>	96.92p	92.18p	4.31p
<b>I-Class Gross Income Shares<sup>g</sup></b>			
2011	101.5p	91.70p	2.61p
2012 <sup>d</sup>	103.2p	97.98p	5.67p
<b>X-Class Gross Accumulation Shares<sup>h</sup></b>			
2012 <sup>d</sup>	107.4p	100.4p	3.45p

<sup>d</sup> To 31 July 2012.

<sup>e</sup> B-Class Income Shares were launched on 14 October 2009.

<sup>f</sup> I-Class Gross Accumulation Shares were launched on 21 May 2007.

<sup>g</sup> I-Class Gross Income Shares were launched 1 July 2011.

<sup>h</sup> X-Class Gross Accumulation Shares were launched on 20 January 2012.

## Portfolio turnover rate

31.01.12	81.5%
31.07.12	17.6%

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

## Net asset values and Ongoing charges

Date	Net asset value per share class £'000	Number of shares	Net asset value per share	Ongoing charges
<b>A-Class Accumulation Shares</b>				
31.01.10	59,326	82,410,332	71.99p	1.27%
31.01.11	51,950	64,147,721	80.98p	1.28%
31.01.12	62,726	74,454,052	84.25p	1.28%
31.07.12	86,142	97,673,275	88.19p	1.28%
<b>A-Class Income Shares</b>				
31.01.10	52,983	141,070,611	37.56p	1.27%
31.01.11	74,754	188,780,185	39.60p	1.28%
31.01.12	87,978	227,047,334	38.75p	1.28%
31.07.12	96,523	244,855,621	39.42p	1.28%
<b>B-Class Income Shares</b>				
31.01.10	1,015	984,644	103.0p	0.89%
31.01.11	1,190	1,091,175	109.0p	0.90%
31.01.12	1,296	1,210,511	107.1p	0.90%
31.07.12	1,531	1,402,614	109.1p	0.90%
<b>I-Class Accumulation Shares</b>				
31.01.10	6	5,000	122.6p	0.45%
31.01.11	6	4,000	139.0p	0.45%
31.01.12	6	4,000	145.7p	0.45%
31.07.12	26	17,213	153.2p	0.45%
<b>I-Class Gross Accumulation Shares</b>				
31.01.10	10,068	8,981,680	112.1p	0.45%
31.01.11	12,934	10,013,211	129.2p	0.45%
31.01.12	15,326	11,145,161	137.5p	0.45%
31.07.12	11,644	7,999,118	145.6p	0.45%
<b>I-Class Income Shares</b>				
31.01.10	14,401	16,157,110	89.13p	0.45%
31.01.11	2,328	2,462,650	94.57p	0.45%
31.01.12	3,308	3,551,212	93.16p	0.45%
31.07.12	4,034	4,242,981	95.07p	0.45%
<b>I-Class Gross Income Shares</b>				
31.01.12	1,456	1,472,479	98.85p	0.45%
31.07.12	973	963,817	100.9p	0.45%
<b>X-Class Gross Accumulation Shares</b>				
31.01.12	505	502,512	100.6p	0.06%
31.07.12	484	452,512	107.0p	0.06%

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

Following the adoption of the requirements of UCITS IV in June 2012, Ongoing charges has replaced the Total expense ratio (TER). The Ongoing charges takes into account the ACD fee and any fixed 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 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 31 July 2012

Investment	Holding	Market value		Investment	Holding	Market value	
		£'000	Total net assets %			£'000	Total net assets %
<b>Corporate debt - 89.4% (94.8%)</b>							
<b>US Dollar - 89.4%</b>							
Academy 9.25% 2019	\$700,000	490	0.2	Chiron Merger 10.5% 2018	\$1,655,000	1,103	0.5
Accellent 8.375% 2017	\$940,000	617	0.3	Choice Hotels 5.75% 2022	\$225,000	152	0.1
Accellent 10% 2017	\$690,000	374	0.2	Chrysler Group 8% 2019	\$1,040,000	686	0.3
ACCO Brands 6.75% 2020	\$285,000	195	0.1	Chrysler Group 8.25% 2021	\$1,035,000	683	0.3
AES 9.75% 2016	\$890,000	681	0.3	Cincinnati Bell 8.375% 2020	\$905,000	600	0.3
AES 8% 2017	\$300,000	222	0.1	Cinemark USA 7.375% SNR 2021	\$345,000	243	0.1
Aircastle 6.75% 2017	\$350,000	234	0.1	CIT Group 7% 2016	\$1,130,000	724	0.4
Aircastle 9.75% 2018	\$785,000	568	0.3	CIT Group 4.25% 2017	\$630,000	402	0.2
Aircastle 7.625% 2020	\$150,000	102	-	CIT Group 5% 2017	\$610,000	406	0.2
Allison Transport 7.125% 2019	\$935,000	629	0.3	CIT Group 7% 2017	\$186,197	119	0.1
Ally Financial 6.75% 2014	\$380,000	260	0.1	CIT Group 5.25% 2018	\$1,155,000	780	0.4
Ally Financial 4.625% 2015	\$740,000	486	0.2	Citycenter 7.625% SNR 2016	\$1,130,000	759	0.4
Ally Financial 5.5% 2017	\$695,000	461	0.2	Claire's Stores 8.875% 2019	\$590,000	322	0.2
Ally Financial 6.25% 2017	\$2,670,000	1,834	0.9	Claire's Stores 9% 2019	\$955,000	630	0.3
AMC Entertainments 8.75% 2019	\$460,000	318	0.2	Clean Harbors 5.25% 2020	\$485,000	318	0.2
AMC Entertainments 9.75% 2020	\$980,000	676	0.3	Clear Channel Communications 9% 2021	\$1,285,000	692	0.3
American Axle & Manufacturing 7.875% 2017	\$925,000	613	0.3	Clear Channel Worldwide 9.25% 2017	\$2,440,000	1,688	0.8
American Axle & Manufacturing 9.25% 2017	\$95,000	68	-	Clear Channel Worldwide 7.625% 2020	\$65,000	39	-
American Axle & Manufacturing 7.75% 2019	\$250,000	171	0.1	Clear Channel Worldwide 7.625% 2020 B	\$745,000	460	0.2
American Tire Distributors 9.75% 2017	\$395,000	265	0.1	Clearwater Paper 7.125% 2018	\$50,000	34	-
Amkor Technology 7.375% 2018	\$600,000	392	0.2	Clearwire Communications 12% 2015	\$1,075,000	643	0.3
Amsted Industries 8.125% 2018	\$510,000	344	0.2	Clearwire Communications 14.75% 2016	\$105,000	67	-
Anixter 5.625% 2019	\$300,000	198	0.1	Cloud Peak Energy Resources 8.25% 2017	\$625,000	416	0.2
Arch Coal 8.75% 2016	\$935,000	578	0.3	CNH Capital 6.25% 2016	\$515,000	354	0.2
Arch Coal 7% 2019	\$475,000	260	0.1	Cogent Communications 8.375% 2018	\$485,000	334	0.2
Arch Coal 7.25% 2021	\$310,000	169	0.1	Commscope 8.25% 2019	\$1,105,000	738	0.4
Ardagh Packaging Finance 7.375% 2017	\$345,000	236	0.1	Community Health Systems 8% 2019	\$320,000	220	0.1
Ardagh Packaging Finance 7.375% 2017	\$200,000	137	0.1	Constellation Brands 6% 2022	\$260,000	183	0.1
Ardagh Packaging Finance 9.125% 2020	\$200,000	133	0.1	Corrections Corporation of America 7.75% 2017	\$365,000	252	0.1
Ardagh Packaging Finance 9.125% 2020	\$1,490,000	996	0.5	Cricket Communications 7.75% 2020	\$385,000	234	0.1
Ashtead Capital 6.5% 2022	\$390,000	258	0.1	Crosstex Energy 8.875% 2018	\$915,000	617	0.3
Aspect Software 10.625% 2017	\$565,000	382	0.2	Dana Holding 6.5% 2019	\$480,000	325	0.2
Associated Material Finance 9.125% 2017	\$950,000	581	0.3	DaVita 6.375% 2018	\$360,000	242	0.1
Atkore International 9.875% 2018	\$800,000	491	0.2	DaVita 6.625% 2020	\$395,000	266	0.1
Audatex North America 6.75% 2018	\$540,000	368	0.2	Del Monte 7.625% 2019	\$1,980,000	1,250	0.6
Avaya 9.75% 2015	\$785,000	393	0.2	Denbury Resources 8.25% 2020	\$805,000	576	0.3
Avaya 10.125% 2015	\$539,196	271	0.1	Digicel Group 8.25% 2017	\$290,000	193	0.1
Avaya 7% 2019	\$730,000	420	0.2	Digicel Group 10.5% 2018	\$375,000	255	0.1
Avis Budget Car Rental 9.625% 2018	\$350,000	246	0.1	Dish DBS 7.125% 2016	\$465,000	327	0.2
Avis Budget Car Rental 8.25% 2019	\$1,375,000	938	0.5	Dish DBS 4.625% 2017	\$495,000	319	0.2
Awas Aviation Capital 7% 2016	\$470,800	311	0.2	Dish DBS 7.875% 2019	\$2,825,000	2,089	1.0
Bank of America 8% FRN Perpetual	\$1,380,000	945	0.5	Dish DBS 6.75% 2021	\$870,000	606	0.3
Belden 9.25% 2019	\$630,000	441	0.2	Dish DBS 5.875% 2022	\$1,130,000	736	0.4
Berry Petroleum 6.375% 2022	\$380,000	256	0.1	DJO Finance 7.75% 2018	\$1,520,000	813	0.4
Biomet 10.375% 2017	\$2,845,000	1,939	1.0	DJO Finance 8.75% 2018	\$355,000	233	0.1
Biomet 6.5% 2020	\$1,265,000	825	0.4	Dole Food 8% 2016	\$365,000	243	0.1
Block Communications 7.25% 2020	\$485,000	320	0.2	Eagle Rock Energy 8.375% 2019 144A	\$655,000	411	0.2
Bombardier 7.5% 2018	\$335,000	235	0.1	Eagle Rock Energy 8.375% 2019	\$300,000	188	0.1
Bombardier 5.75% 2022	\$515,000	330	0.2	Easton-Bell Sports 9.75% 2016	\$1,090,000	760	0.4
Bon Ton Department Stores 10.625% 2017	\$330,000	171	0.1	Eileme 11.625% 2020	\$520,000	348	0.2
Breitburn Energy Partners 8.625% 2020	\$590,000	402	0.2	El Paso 7.25% 2018	\$765,000	562	0.3
Breitburn Energy Partners 7.875% 2022	\$670,000	432	0.2	Endo Health Solutions 7% 2019	\$155,000	109	0.1
Building Materials 6.875% 2018	\$170,000	117	0.1	Energy Future 10% 2020	\$355,000	245	0.1
Building Materials 6.75% 2021	\$460,000	320	0.2	Energy Future International 10% 2020	\$658,000	462	0.2
Bumble Bee Acquisition 9% 2017	\$1,490,000	957	0.5	Epicor Software 8.625% 2019	\$1,040,000	680	0.3
BWAY 10% 2018	\$855,000	602	0.3	EV Energy Partner 8% 2019	\$1,245,000	802	0.4
Cablevision Systems 8.625% 2017	\$1,295,000	938	0.5	Everest Acquisition 6.875% 2019	\$350,000	238	0.1
Caesars Escrow 8.5% 2020	\$700,000	447	0.2	Everest Acquisition 9.375% 2020	\$1,360,000	932	0.5
Calpine 7.25% 2017	\$320,000	221	0.1	FGI 7.85% 2020	\$745,000	505	0.3
Calpine 7.875% 2020	\$290,000	208	0.1	First Data 7.375% 2019	\$775,000	513	0.3
Calpine 7.5% 2021	\$1,195,000	848	0.4	First Data 8.875% 2020	\$1,235,000	858	0.4
Calpine 7.875% 2023	\$230,000	166	0.1	First Data 12.625% 2021	\$2,117,000	1,356	0.7
Case New Holland 7.875% 2017	\$510,000	381	0.2	First Data 8.75% 2022	\$2,599,000	1,657	0.8
CCO Holdings 7.25% 2017	\$195,000	137	0.1	FMG Resources 7% 2015	\$165,000	108	-
CCO Holdings 7.875% 2018	\$1,380,000	960	0.5	FMG Resources 6.375% 2016	\$590,000	376	0.2
CCO Holdings 7% 2019	\$670,000	468	0.2	FMG Resources 6.875% 2018	\$845,000	543	0.3
CCO Holdings 7.375% 2020	\$200,000	141	0.1	FMG Resources 8.25% 2019	\$655,000	440	0.2
CDW Financial 8.5% 2019	\$1,590,000	1,069	0.5	FMG Resources 6.875% 2022	\$160,000	101	-
Central Garden & Pet 8.25% 2018	\$1,610,000	1,052	0.5	Ford Motor Credit 5% 2018	\$1,160,000	787	0.4
CenturyLink 5.8% 2022	\$930,000	626	0.3	Forest Oil 7.25% 2019	\$1,020,000	624	0.3
Cequel Communications 8.625% 2017	\$470,000	323	0.2	Freescale Semiconductor 9.25% 2018	\$770,000	525	0.3
CEVA Group 8.375% 2017	\$1,060,000	661	0.3	Freescale Semiconductor 10.125% 2018	\$679,000	472	0.2
Chesapeake Energy 6.625% 2020	\$760,000	476	0.2	Freescale Semiconductor 8.05% 2020	\$400,000	245	0.1
Chesapeake Midstream Partners 6.125% 2022	\$390,000	250	0.1	Fresenius Medical Care 5.625% 2019	\$215,000	146	0.1
Chesapeake Oilfield 6.625% 2019	\$260,000	151	0.1	Fresenius Medical Care 5.875% 2022	\$150,000	102	-
				Frontier Communications 6.625% 2015	\$540,000	366	0.2
				GCI 8.625% 2019	\$755,000	510	0.3
				General Cable 7.125% 2017	\$840,000	548	0.3
				Geo Group 7.75% 2017	\$960,000	658	0.3
				Geo Group 6.625% 2021	\$115,000	77	-

# Portfolio statement – continued

As at 31 July 2012

Investment	Holding	Market value		Investment	Holding	Market value	
		£'000	Total net assets %			£'000	Total net assets %
GMX Resources 11% 2017	\$812,362	438	0.2	Linn Energy 6.5% 2019	\$510,000	322	0.2
Goodyear Tire & Rubber 8.25% 2020	\$850,000	589	0.3	Linn Energy 8.625% 2020	\$235,000	162	0.1
Goodyear Tire & Rubber 8.75% 2020	\$185,000	129	0.1	Linn Energy 7.75% 2021	\$710,000	478	0.2
Goodyear Tire & Rubber 7% 2022	\$745,000	483	0.2	Longview Fibre Paper & Packaging 8% 2016	\$155,000	102	-
Great Lakes Dredge & Dock 7.375% 2019	\$965,000	637	0.3	Lucent Technologie 6.45% 2029	\$1,530,000	556	0.3
Griffon 7.125% 2018	\$685,000	456	0.2	Magnachip Semiconductor 10.5% 2018	\$965,000	677	0.3
GWR Operating Partners 10.875% 2017	\$565,000	406	0.2	Magnum Hunter Resources 9.75% 2020	\$320,000	200	0.1
GXS Worldwide 9.75% 2015	\$625,000	407	0.2	Manitowoc 8.5% 2020	\$820,000	570	0.3
Gymboree 9.125% 2018	\$910,000	542	0.3	Mantech International 7.25% 2018	\$505,000	340	0.2
Hanesbrands 8% 2016	\$600,000	426	0.2	Marina District Finance 9.5% 2015	\$295,000	183	0.1
Hanesbrands 6.375% 2020	\$620,000	422	0.2	Marina District Finance 9.875% 2018	\$1,395,000	829	0.4
Harrhahs Operating 11.25% 2017	\$3,705,000	2,539	1.3	MEG Energy 6.375% 2023	\$500,000	326	0.2
Harrhahs Operating 10% 2018	\$563,000	232	0.1	MEMC Electronics Materials 7.75% 2019	\$630,000	312	0.2
HCA 8% 2018	\$510,000	373	0.2	Metropcs Wireless 7.875% 2018	\$1,315,000	887	0.4
HCA 6.5% 2020	\$405,000	288	0.1	MGM Resorts 7.625% 2017	\$2,025,000	1,322	0.7
HCA 7.75% 2021	\$2,285,000	1,586	0.8	MGM Resorts 8.625% 2019	\$665,000	447	0.2
HCA 7.5% 2022	\$3,195,000	2,281	1.1	MGM Resorts 9% 2020	\$1,830,000	1,299	0.6
HD Supply 8.125% 2019	\$785,000	549	0.3	Michael Foods 9.75% SNR 2018	\$910,000	641	0.3
HD Supply 11% 2020	\$490,000	342	0.2	Michaels Stores 7.75% 2018	\$1,260,000	861	0.4
Health Management Associates 6.125% 2016	\$755,000	517	0.3	Mueller Water Products 8.75% 2020	\$401,000	286	0.1
Health Management Associates 7.375% 2020	\$480,000	329	0.2	Mylan 7.625% 2017	\$170,000	121	0.1
HealthSouth 7.25% 2018	\$635,000	439	0.2	Mylan 7.875% 2020	\$935,000	675	0.3
HealthSouth 7.75% 2022	\$570,000	394	0.2	Nexeo Solutions 8.375% 2018	\$610,000	381	0.2
Hertz 7.5% 2018	\$1,100,000	757	0.4	Nexstar Broadcasting 8.875% 2017	\$645,000	436	0.2
Hertz 6.75% 2019	\$390,000	259	0.1	Noranda Alum Acquisition 5.373% FRN 2015	\$909,171	554	0.3
Hexion Nova Scotia 8.875% 2018	\$720,000	465	0.2	Novelis 8.375% 2017	\$435,000	303	0.2
Hexion Nova Scotia 9% 2020	\$730,000	492	0.2	Novelis 8.75% 2020	\$475,000	335	0.2
Hillman Group 10.875% 2018	\$630,000	326	0.2	NRG Energy 7.625% 2018	\$805,000	545	0.3
Hologic 6.25% 2020	\$245,000	164	0.1	NRG Energy 8.25% 2020	\$355,000	243	0.1
Host Hotels & Resorts 9% 2017	\$270,000	190	0.1	NXP 9.75% 2018	\$1,294,000	945	0.5
Hughes Satellite System 6.5% 2019	\$440,000	301	0.1	Oshkosh 8.25% 2017	\$665,000	468	0.2
Huntsman International 5.5% 2016	\$615,000	393	0.2	Oshkosh 8.5% 2020	\$365,000	258	0.1
Huntsman International 8.625% 2020	\$340,000	247	0.1	Packaging Dynamics 8.75% 2016	\$585,000	394	0.2
Huntsman International 8.625% 2021	\$470,000	344	0.2	Paetec 8.875% 2017	\$450,000	311	0.2
Ineos 8.5% 2016	\$1,000,000	574	0.3	Paetec 9.875% 2018	\$820,000	589	0.3
Ineos 7.5% 2020	\$645,000	417	0.2	PC Merger 8.875% 2020	\$485,000	317	0.2
Ineos Finance 9% 2015	\$40,000	27	-	Peabody Energy 6% 2018	\$740,000	468	0.2
Ineos Finance 8.375% 2019	\$1,225,000	806	0.4	Peabody Energy 6.25% 2021	\$305,000	191	0.1
Integra Telecom 10.75% 2016	\$600,000	377	0.2	Petco Animal Supplies 9.25% 2018	\$785,000	549	0.3
Intelsat Bermuda 11.25% 2016	\$107,000	72	-	Ply Gem Industries 8.25% 2018	\$670,000	441	0.2
Intelsat Bermuda 11.5% 2017	\$690,000	458	0.2	Polymer Group 7.75% 2019	\$700,000	479	0.2
Intelsat Bermuda 11.5% FRN 2017	\$905,000	600	0.3	Polyone 7.375% 2020	\$555,000	384	0.2
Intelsat Bermuda 11.5% Step Up 2017	\$670,000	444	0.2	Polypore International 7.5% 2017	\$710,000	484	0.2
Intelsat Jackson 7.25% 2019	\$525,000	356	0.2	Post 7.375% 2022	\$325,000	216	0.1
Intelsat Jackson 7.25% 2020	\$940,000	638	0.3	QR Energy 9.25% 2020	\$680,000	432	0.2
Intelsat Jackson 7.25% 2020 144A	\$720,000	487	0.2	Quebecor Media 7.75% 2016	\$1,715,000	1,125	0.6
Interactive Data 10.25% 2018	\$925,000	665	0.3	Radiation Therapy Services 8.875% 2017	\$625,000	373	0.2
Interline Brands 7% 2018	\$635,000	430	0.2	Radiation Therapy Services 9.875% 2017	\$795,000	331	0.2
International Lease Finance 4.875% 2015	\$220,000	142	0.1	Rain CII Carbon 8% 2018	\$245,000	160	0.1
International Lease Finance 8.625% 2015	\$1,045,000	751	0.4	RBS Global & Rexnord 8.5% 2018	\$1,180,000	826	0.4
International Lease Finance 5.75% 2016	\$160,000	106	-	Realogy 7.875% 2019	\$855,000	549	0.3
International Lease Finance 8.75% 2017	\$1,715,000	1,268	0.6	Realogy 7.625% 2020	\$615,000	420	0.2
International Lease Finance 5.875% 2019	\$1,565,000	1,032	0.5	Regions Bank 7.5% 2018	\$500,000	367	0.2
International Lease Finance 6.25% 2019	\$640,000	429	0.2	Reichhold Industries 9% 2017	\$1,237,473	576	0.3
inVentiv Health 10% 2018	\$450,000	237	0.1	Reynolds Group 9% 2019	\$3,495,000	2,251	1.1
inVentiv Health 10% SNR 2018	\$365,000	192	0.1	Reynolds Group 9.875% 2019	\$1,325,000	885	0.4
IPCS 3.594% FRN 2014	\$494,795	308	0.1	Reynolds Group 6.875% 2021	\$280,000	189	0.1
Iron Mountain 8.75% 2014	\$1,145,000	755	0.4	RGHL 7.875% 2019	\$415,000	291	0.1
Isabelle Acquisition 10% 2018	\$295,000	194	0.1	Rite Aid 9.75% 2016	\$470,000	330	0.2
ITC Deltacom 10.5% 2016	\$650,000	447	0.2	Rite Aid 7.5% 2017	\$430,000	281	0.1
J Crew Group 8.125% 2019	\$890,000	583	0.3	Rite Aid 9.5% 2017	\$240,000	156	0.1
James River Coal 7.785% 2019	\$675,000	219	0.1	Rite Aid 9.25% 2020	\$720,000	461	0.2
Jarden 7.5% 2017	\$490,000	353	0.2	RSC Equipment Rental 8.25% 2021	\$1,140,000	781	0.4
Jarden 7.5% 2020	\$190,000	134	0.1	Sabre 8.5% 2019	\$820,000	540	0.3
JC Penney 7.95% 2017	\$735,000	454	0.2	Sally 6.875% 2019	\$325,000	231	0.1
JC Penney 5.75% 2018	\$520,000	293	0.1	Sally 5.75% 2022	\$190,000	130	0.1
JC Penney 6.375% 2036	\$295,000	136	0.1	Sandridge Energy 8% 2018	\$335,000	222	0.1
Kinove German Bondco 9.625% 2018	\$383,000	255	0.1	Sandridge Energy 8.125% 2022	\$475,000	315	0.2
Kodiak Oil & Gas 8.125% 2019	\$1,105,000	749	0.4	SBA Telecommunications 8% 2016	\$217,000	147	0.1
Lawson Software 11.50% 2018	\$80,000	58	-	SBA Telecommunications 8.25% 2019	\$311,000	221	0.1
Lawson Software 9.375% 2019	\$390,000	265	0.1	Scotts Miracle-Gro 7.25% 2018	\$230,000	160	0.1
Level 3 Communications 8.875% 2019	\$195,000	126	0.1	Sealed Air 8.125% 2019	\$500,000	358	0.2
Level 3 Communications 11.875% 2019	\$555,000	391	0.2	Sealed Air 8.375% 2021	\$185,000	134	0.1
Level 3 Financing 8.125% 2019	\$1,210,000	810	0.4	Sealy Mattress 8.25% 2014	\$1,910,000	1,209	0.6
Level 3 Financing 9.375% 2019	\$855,000	597	0.3	Sealy Mattress 10.875% 2016	\$255,000	176	0.1
Level 3 Financing 8.625% 2020	\$400,000	273	0.1	Sensata Technologies 6.5% 2019	\$1,050,000	698	0.3
Libbey Glass 6.875% 2020	\$515,000	345	0.2	Sequa 11.75% 2015	\$640,000	428	0.2
Limited Brands 6.625% 2021	\$240,000	170	0.1	Service Corporation International 6.75% 2016	\$375,000	264	0.1
Linn Energy 6.25% 2019	\$780,000	490	0.2				

# Portfolio statement – continued

As at 31 July 2012

Investment	Holding	Market value £'000	Total net assets %
Service Corporation International 7% 2017	\$295,000	213	0.1
Service Corporation International 7.625% 2018	\$140,000	104	-
Service Corporation International 7% 2019	\$395,000	274	0.1
Service Corporation International 7.5% 2027	\$655,000	436	0.2
Servicemaster 10.75% 2015	\$281,527	185	0.1
Simmons 11.25% 2015	\$1,745,000	1,143	0.6
Sinclair Television 9.25% 2017	\$585,000	413	0.2
Sinclair Television 8.375% 2018	\$225,000	156	0.1
Spectrum Brands 9.5% 2018	\$555,000	400	0.2
Spectrum Brands 9.5% SNR 2018	\$490,000	353	0.2
Spectrum Brands 6.75% 2020	\$380,000	254	0.1
Spirit Aerosystems 7.5% 2017	\$735,000	507	0.3
Sprint Capital 6.9% 2019	\$260,000	166	0.1
Sprint Capital 8.75% 2032	\$6,120,000	3,833	1.9
Sprint Nextel 9% 2018	\$1,740,000	1,281	0.6
SSI Investment Management 11.125% 2018	\$780,000	561	0.3
Stewart Enterprises 6.5% 2019	\$440,000	292	0.1
Sungard Data Systems 10.25% 2015	\$800,000	522	0.3
Sungard Data Systems 7.375% 2018	\$580,000	392	0.2
SUPERVALU 8% 2016	\$955,000	513	0.3
Surgical Care 8.875% 2015	\$788,597	512	0.3
Syniverse 9.125% 2019	\$240,000	167	0.1
Tekni-Plex 9.75% 2019	\$615,000	408	0.2
Tenet Healthcare 9.25% 2015	\$199,000	141	0.1
Tenet Healthcare 6.25% 2018	\$820,000	565	0.3
Tenet Healthcare 8.875% 2019	\$140,000	101	-
Tenet Healthcare 8% 2020	\$2,110,000	1,409	0.7
Terex 8% 2017	\$1,160,000	778	0.4
Terex 6.5% 2020	\$270,000	177	0.1
Texas Competitive Electric 11.5% 2020	\$770,000	356	0.2
Tomkins 9% 2018	\$317,000	224	0.1
Trinidad Drilling 7.875% 2019	\$705,000	479	0.2
UCI International 8.625% 2019	\$925,000	597	0.3
United Rentals 9.25% 2019	\$615,000	437	0.2
United Rentals 8.375% 2020	\$525,000	356	0.2
UPCB Finance 7.25% 2021	\$175,000	119	0.1
UPCB Finance III 6.625% 2020	\$1,445,000	953	0.5
UPCB Finance VI 6.875% 2022	\$500,000	330	0.2
UR Financing Escrow 7.375% 2020	\$120,000	81	-
UR Financing Escrow 7.625% 2022	\$265,000	178	0.1
US Oncology Action Escrow 9.125% 2017†	\$1,240,000	12	-
USPI Finance 9% 2020	\$505,000	350	0.2
Vail Resorts 6.5% 2019	\$580,000	397	0.2
Valeant Pharmaceuticals 6.875% 2018	\$1,135,000	763	0.4
Valeant Pharmaceuticals 7% 2020	\$245,000	161	0.1
Valeant Pharmaceuticals 6.75% 2021	\$635,000	410	0.2
Valeant Pharmaceuticals 7.25% 2022	\$1,235,000	811	0.4
Vanguard Natural Resources 7.875% 2020	\$620,000	396	0.2
Veneco 8.875% 2019	\$470,000	276	0.1
Vertellus Specialties 9.375% 2015	\$500,000	262	0.1
Videotron 9.125% 2018	\$390,000	272	0.1
Visant 10% 2017	\$375,000	240	0.1
Visteon 6.75% 2019	\$1,025,000	636	0.3
Vulcan Materials 6.5% 2016	\$215,000	145	0.1
Vulcan Materials 7.5% 2021	\$215,000	152	0.1
Wind Acquisition Finance 11.75% 2017	\$660,000	349	0.2
Wind Acquisition Finance 7.25% 2018	\$280,000	157	0.1
Wind Acquisition Finance 7.25% SNR 2018	\$480,000	271	0.1
Windstream 7.875% 2017	\$300,000	210	0.1
Windstream 8.125% 2018	\$365,000	248	0.1
Windstream 7.75% 2021	\$530,000	362	0.2
Windstream 7.5% 2023	\$750,000	500	0.2
WMG Acquisition 9.5% 2016	\$740,000	518	0.3
WMG Acquisition 11.5% 2018	\$315,000	222	0.1
WPX Energy 6% 2022	\$960,000	621	0.3
Wynn Las Vegas 7.875% 2017	\$35,000	24	-
Yankee Finance 9.75% 2017	\$835,000	555	0.3
Zayo Escrow 8.125% 2020	\$265,000	179	0.1
<b>Equities – 0.0% (0.0%)</b>			
<b>US Dollar – 0.0%</b>			
Quad Graphics 'A'	118	1	-
<b>Liquidation claim – 0.0% (0.0%)</b>			
Quebecor Liquidation Claim†	\$900,000	6	-

Investment	Holding	Market value £'000	Total net assets %
<b>Forward currency contracts – 0.1% (0.4%)</b>			
<b>US Dollar</b>			
Sell \$299,372,827 buy £191,000,000 dated 31/08/12		128	0.1
<b>Swaps – 0.0% (0.0%)</b>			
<b>US Dollar – 0.0%</b>			
Credit Default Swaps CDX.HY 20 Dec 2016	(10,000,000)	(56)	-
Credit Default Swaps CDX.HY 20 Jun 2017	(5,000,000)	(67)	-
Credit Default Swaps CDX.HY 20 Jun 2017	(5,000,000)	(67)	-
<b>Investment assets (including investment liabilities)</b>		<b>180,175</b>	<b>89.5</b>
<b>Net other assets</b>		<b>21,182</b>	<b>10.5</b>
<b>Net assets</b>		<b>201,357</b>	<b>100.0</b>

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

The comparative percentage figures in brackets are at 31 January 2012.

† Delisted security

Portfolio credit ratings	Market value £'000
BB+	3,202
BB	5,385
BB-	23,962
B+	32,982
B	31,899
B-	40,474
CCC+	25,493
CCC	13,237
C	3,557
Unrated	39
<b>Total bonds</b>	<b>180,230</b>
Forward currency contracts	128
Liquidation claims	6
Equities	1
Swaps	(190)
<b>Investment assets (including investment liabilities)</b>	<b>180,175</b>

## Portfolio movements

For the six months ending 31 July 2012

	£'000		£'000
<b>Total of all purchases for the period</b>	<b>59,959</b>	<b>Total of all sales for the period</b>	<b>48,071</b>
<b>Major purchases</b>	<b>Cost</b>	<b>Major sales</b>	<b>Proceeds</b>
CDW Financial 8.5% 2019	1,045	CIT Group 7% 2016	1,525
Level 3 Financing 8.125% 2019	1,016	Ford Motor Credit 6.625% 2017	1,349
Reynolds Group 9% 2019	986	Intelsat Bermuda 11.25% 2016	1,196
International Lease Finance 5.875% 2019	962	CIT Group 7% 2017	1,130
First Data 8.75% 2022	897	Sungard Data Systems 10.25% 2015	1,109
Everest Acquisition 9.375% 2020	874	Ineos Finance 9% 2015	1,097
Ineos 7.5% 2020	826	Dish DBS 7.125% 2016	998
Biomet 6.5% 2020	816	Spectrum Brands 12% FRN 2019	873
Reynolds 9.875% 2019	815	RGHL 9.875% 2019	815
Ineos Finance 8.375% 2019	813	Ford Motor Credit 5% 2018	734
CIT Group 5.25% 2018	741	Alliant Techsystems 6.75% 2016	647
CIT Group 7% 2016	720	Constellation Brands 7.25% 2017	646
Tenet Healthcare 8% 2020	693	Chrysler Group 8% 2019	636
Epicor Software 8.625% 2019	655	Level 3 Communications 8.125% 2019	625
Chrysler Group 8.25% 2021	644	WPX Energy 6% 2022	613
Chrysler Group 8% 2019	636	Ally Financial 6.75% 2014	612
Dish DBS 5.875% 2022	623	Tenet Healthcare 6.25% 2018	521
Dish DBS 7.875% 2019	618	Chrysler Group 8.25% 2021	518
WPX Energy 6% 2022	613	Libbey Glass 10% 2015	507
Claire's Stores 9% 2019	612	Eagle Parent 8.625% 2019	503

# Financial statements

## Statement of total return

(Unaudited)

For the six months ending 31 July

	2012	2011
	£'000	£'000
Income		
Net capital gains	3,750	267
Revenue	7,071	5,823
Expenses	(1,114)	(893)
Net revenue before taxation	5,957	4,930
Taxation	(4)	-
Net revenue after taxation	5,953	4,930
<b>Total return before distributions</b>	<b>9,703</b>	<b>5,197</b>
Finance costs: Distributions	(6,910)	(5,717)
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>2,793</b>	<b>(520)</b>

## Statement of change in net assets attributable to shareholders

(Unaudited)

For the six months ending 31 July

	2012	2011
	£'000	£'000
<b>Opening net assets attributable to shareholders</b>	<b>172,601</b>	<b>143,162</b>
Amounts receivable on issue of shares	52,828	24,470
Amounts payable on cancellation of shares	(29,747)	(7,167)
	23,081	17,303
Change in net assets attributable to shareholders from investment activities (see above)	2,793	(520)
Retained distributions on accumulation shares	2,878	2,180
Unclaimed distributions	4	-
<b>Closing net assets attributable to shareholders</b>	<b>201,357</b>	<b>162,125</b>

As the comparatives in the above table are for the previous interim period, the net assets at the end of that period will not agree to the net assets at the start of the current period.

## Balance sheet

(Unaudited)

As at

	31 July 2012	31 January 2012
	£'000	£'000
<b>ASSETS</b>		
Investment assets	180,365	164,248
Debtors	4,487	4,829
Cash and bank balances	22,322	7,964
<b>Total other assets</b>	<b>26,809</b>	<b>12,793</b>
<b>Total assets</b>	<b>207,174</b>	<b>177,041</b>
<b>LIABILITIES</b>		
Investment liabilities	(190)	-
Creditors	(4,054)	(2,953)
Distribution payable on income shares	(1,573)	(1,487)
<b>Total other liabilities</b>	<b>(5,627)</b>	<b>(4,440)</b>
<b>Total liabilities</b>	<b>(5,817)</b>	<b>(4,440)</b>
<b>Net assets attributable to shareholders</b>	<b>201,357</b>	<b>172,601</b>

# JPM Global Mining Fund

## Investment objective and policy

To provide long term capital growth by investing primarily in companies engaged in mining or mining related activities, including any associated secondary products, anywhere in the world.

The Fund will have exposure to Emerging Markets and smaller companies. Secondary products will include products such as steel and aluminium.

**Financial Derivative Instruments (derivatives) may be used for the purpose of Efficient Portfolio Management, including hedging, where appropriate (see Section 11.14 for Risk Warnings on derivatives in the Prospectus). Subject to at least 60 days notice to Shareholders, the Fund may use derivatives for investment purposes which may change the risk profile of the Fund.**

There is no restriction on the value of the property of the Fund that may be invested in transferable securities which are warrants. If more than 5% of the property of the Fund is invested in warrants, the net asset value of the Fund may become highly volatile on occasions.

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

## Risk profile

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

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

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

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

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

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

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

When the Fund invests in warrants, the values of these warrants are likely to fluctuate more than the prices of the underlying securities.

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

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

## Fund review

The six months to end July 2012 was a difficult period for commodities and commodity-related equities. The Fund performed poorly in absolute terms and relative to its benchmark. The global mining sector delivered weak performance, with macroeconomic fears overwhelming company fundamentals. The slowdown in Chinese economic activity was the biggest drag on performance. In this environment, base metal and diversified stocks were particularly weak performers. The biggest detractors from Fund performance relative to the benchmark were the diversified miners given the position sizes. Thermal coal producers were notably weak as low gas prices encouraged co-generation power stations in the US to switch from coal to gas. Gold and precious equities were also weak and offered no safe haven characteristics in the macroeconomic uncertainty. Gold equities continued to underperform gold bullion as operational performance at a large number of gold companies disappointed.

## Fund outlook

Investors are increasingly concerned that Chinese GDP growth may struggle to surpass the government's conservative target of 7% this year. There are increasing signs that monetary easing may be accompanied by a more expansionary fiscal policy in China. Given the macro uncertainty, many sell-side analysts have downgraded their forecasts for oil demand growth for 2012. However, with the oil price sitting just above the level needed to balance budgets in key OPEC member states, we see limited downside from here. For gold bullion and gold equity investors in particular, the focus will be on Jackson Hole and the Federal Reserve's Economic Policy Symposium to see if another round of quantitative easing will be announced. Across the sector, valuations remain very attractive and we are already seeing a pick up in M&A activity as large miners see greater value in 'buying' assets rather than 'building' them.

## 12 month performance to 31 July

	2012
JPM Global Mining A-Class Acc	-37.0%
JPM Global Mining B-Class Acc <sup>a</sup>	-
Benchmark Index	-29.8%

## Six month performance to 31 July 2012

JPM Global Mining A-Class Acc	-27.3%
Benchmark Index	-21.6%

You should remember that past performance is not a guide to the future. The price of investments and the income from them may fall as well as rise and investors may not get back the full amount invested. For specific risks, including the risk and reward profile, please refer to the Key Investor information Document (KIID).

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

Source: J.P. Morgan.

<sup>a</sup> The launch of this share class occurred less than 12 months ago and as a result no performance return is reported.

## Fund statistics

Risk and Reward Profile	7
Fund size	£3.7m
Benchmark Index	HSBC Global Mining Index (Net)
Fund charges	
A-Class	Initial 4.25%, Annual 1.50%
B-Class	Initial Nil, Annual 1.00%

## Top ten holdings

	%
Rio Tinto	9.9
BHP Billiton	7.8
Fortescue Metals Group	4.5
Freeport-McMoRan Copper & Gold	4.3
First Quantum Minerals	4.3
Teck Resources 'B'	3.9
Xstrata	3.6
Anglo American	2.9
Antofagasta	2.6
Peabody Energy	2.2

## Sector breakdown

	%
Base metals & diversified	63.4
Gold & silver	20.6
Coal	3.8
Others	3.3
Diamonds & precious stones	1.9
Platinum	1.7
Uranium	1.2
Net other assets	4.1

## Highest/lowest share price and distribution record

Calendar year	Highest share price	Lowest share price	Distribution per share (net)
<b>A-Class Accumulation Shares<sup>b</sup></b>			
2011	52.62p	33.51p	-
2012 <sup>c</sup>	43.66p	29.16p	0.00p
<b>B-Class Accumulation Shares<sup>d</sup></b>			
2012 <sup>c</sup>	100.7p	69.75p	-

<sup>a</sup> A-Class Accumulation Shares were launched on 2 February 2011.

<sup>c</sup> To 31 July 2012.

<sup>d</sup> B-Class Accumulation Shares were launched on 5 March 2012.

## Portfolio turnover rate

31.01.12	32.5%
31.07.12	6.0%

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

## Net asset values and Ongoing charges

Date	Net asset value per share class £'000	Number of shares	Net asset value per share	Ongoing charges
<b>A-Class Accumulation Shares</b>				
31.01.12	4,426	10,638,297	41.61p	1.68%
31.07.12	3,617	11,900,697	30.39p	1.68%
<b>B-Class Accumulation Shares</b>				
31.07.12	78	108,225	72.70p	1.15%

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 and any fixed 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 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 31 July 2012

Investment	Holding	Market value £'000	Total net assets %
<b>Base metals &amp; diversified - 63.4% (62.2%)</b>			
Afferro Mining	13,000	7	0.2
African Minerals*	18,400	55	1.5
Alcoa	7,800	42	1.1
Alumina*	56,100	26	0.7
Anglo American	5,650	108	2.9
Antofagasta	8,900	96	2.6
Augusta Resource	15,000	17	0.5
BHP Billiton	15,270	288	7.8
Blackthorn Resources	6,750	5	0.1
Cape Lambert Resources	58,000	12	0.3
Champion Minerals	9,000	6	0.2
Copper Mountain Mining	8,800	18	0.5
Discovery Metals	22,400	20	0.5
Duluth Exploration Warrants 2013 (CAD 1.00)#	576	-	-
Duluth Metals	8,650	11	0.3
Equatorial Resources	13,563	17	0.5
Eurasian Natural Resources	11,400	45	1.2
Ferrexpo	39,400	73	2.0
First Quantum Minerals	13,500	157	4.3
Fortescue Metals Group	59,200	164	4.5
Freeport-McMoRan Copper & Gold	7,270	158	4.3
Gindalbie Metals	82,000	22	0.6
Independence Group	11,025	23	0.6
Inmet Mining	1,500	36	1.0
Ivanhoe Mines	12,150	66	1.8
Kagara	170,000	-	-
Lundin Mining	18,700	52	1.4
Marengo Mining	80,000	6	0.2
Mawson West	33,400	12	0.3
Mirabela Nickel	27,623	5	0.1
MMC Norilsk Nickel ADR	2,181	22	0.6
NGEx Resources	8,000	9	0.2
Regulus Resources	12,937	4	0.1
Regulus Resources Warrants 2014 (CAD 1.60)#	6,468	-	-
Rex Minerals	20,379	11	0.3
Rio Tinto	12,160	362	9.9
Sable Mining Africa	172,000	16	0.4
Sandfire Resources	5,700	27	0.7
Sundance Resources	83,500	18	0.5
Teck Resources 'B'	7,900	146	3.9
Tiger Resources	98,700	19	0.5
Western Areas	10,700	25	0.7
Xstrata	15,700	134	3.6
<b>Gold &amp; silver - 20.6% (21.2%)</b>			
AngloGold Ashanti	2,900	65	1.8
Ausgold	8,156	2	0.1
Banro	11,800	31	0.8
Barrick Gold	2,700	57	1.5
Brazilian Gold	7,500	1	-
Bullabulling Gold	120,000	11	0.3
Cluff Gold*	52,440	27	0.7
Eldorado Gold	5,500	40	1.0
Goldcorp	3,300	77	2.1
Gryphon Minerals	28,000	12	0.3
Highland Gold Mining*	39,500	45	1.2
Integra Mining	46,700	10	0.3
Keegan Resources	2,700	5	0.1
Kinross Gold	10,500	57	1.6
Mandalay Resources	38,300	15	0.4
Mirasol Resources	5,050	6	0.2
Newcrest Mining	4,400	69	1.9
New Gold	1,400	9	0.2
Northern Star Resources	44,100	26	0.7
Papillon Resources	41,000	29	0.8
Papua Mining	3,000	1	-
Perseus Mining	9,950	15	0.4
Randgold Resources ADS	100	6	0.2
Reed Resources	150,000	18	0.5
Resolute Mining	36,534	33	0.9
Rio Novo Gold	13,500	2	0.1
Romarco Minerals	24,000	9	0.2
Sarama Resources	16,500	2	0.1
Silvercrest Mines	6,650	9	0.2
Silver Wheaton	2,000	36	1.0
Tristar	12,000	2	0.1
Yamana Gold	3,600	35	0.9

Investment	Holding	Market value £'000	Total net assets %
<b>Coal - 3.8% (3.8%)</b>			
Bathurst Resources	45,427	9	0.2
Beacon Hill Resources	261,667	13	0.4
Eastcoal	26,900	4	0.1
Peabody Energy	6,000	81	2.2
Walter Energy	1,600	35	0.9
<b>Others - 3.3% (5.5%)</b>			
Base Resources	28,545	6	0.2
Elemental Minerals	3,839	2	0.1
Iluka Resources	4,900	31	0.8
Kenmare Resources	83,000	31	0.8
Mineral Deposits	10,000	28	0.7
Pathfinder Minerals†	220,000	2	0.1
Sierra Rutile*	24,000	17	0.5
Stans Energy Warrants 2013 (CAD 2.25)#	1,750	-	-
World Titanium Resources	45,500	5	0.1
<b>Diamonds &amp; precious stones - 1.9% (1.4%)</b>			
Gem Diamonds	6,600	13	0.4
Lucara Diamond	35,350	13	0.4
Petra Diamonds*	33,600	42	1.1
<b>Platinum - 1.7% (2.0%)</b>			
Impala Platinum	6,150	62	1.7
<b>Uranium - 1.2% (0.2%)</b>			
Cameco Corporation	3,200	44	1.1
Global Atomic Fuels#	3,500	5	0.1
<b>Investment assets</b>		<b>3,545</b>	<b>95.9</b>
<b>Net other assets</b>		<b>150</b>	<b>4.1</b>
<b>Net assets</b>		<b>3,695</b>	<b>100.0</b>

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

The comparative percentage figures in brackets are at 31 January 2012.

\* Listed on Alternative Investment Market (AIM)

# Unquoted Security

† Suspended Security

## Portfolio movements

For the six months ending 31 July 2012

	£'000		£'000
<b>Total of all purchases for the period</b>	<b>1,042</b>	<b>Total of all sales for the period</b>	<b>424</b>
<b>Major purchases</b>	<b>Cost</b>	<b>Major sales</b>	<b>Proceeds</b>
Ivanhoe Mines	109	Sierra Rutile	55
Peabody Energy	77	Resolute Mining	53
BHP Billiton	64	Anvil Mining	47
Rio Tinto	62	Xstrata	38
Eurasian Natural Resources	45	Vale ADR	36
Cameco Corporation	44	Barrick Gold	33
Silver Wheaton	43	Aquila Resources	24
Teck Resources 'B'	42	Indophil Resources	20
Goldcorp	34	Atlas Iron	20
African Minerals	32	Rio Tinto	18
Freeport-McMoRan Copper & Gold	30	CGA Mining	17
Sandfire Resources	29	Mount Gibson Iron	15
Barrick Gold	27	Galaxy Resources	9
Antofagasta	24	Abzu Gold	7
Cape Lambert Resources	22	Columbus Gold Corporation	6
Northern Star Resources	22	Integra Mining	6
Ferrexpo	22	Berkeley Resources	4
Discovery Metals	20	Blackthorn Resources	3
Sable Mining Africa	20	Equatorial Resources	2
Fortescue Metals Group	20	Allana Potash	2

# Financial statements

## Statement of total return

(Unaudited)

For the six months ending 31 July

	£'000	2012 £'000	£'000	2011 £'000
Income				
Net capital losses		(1,337)		(163)
Revenue	35		21	
Expenses	(35)		(30)	
Net expense before taxation	-		(9)	
Taxation	(2)		(2)	
Net expense after taxation		(2)		(11)
<b>Total return before distributions</b>		<b>(1,339)</b>		<b>(174)</b>
Finance costs: Distributions		-		-
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(1,339)</b>		<b>(174)</b>

## Balance sheet

(Unaudited)

As at

	31 July 2012		31 January 2012	
	£'000	£'000	£'000	£'000
<b>ASSETS</b>				
Investment assets		3,545		4,262
Debtors	20		149	
Cash and bank balances	155		186	
<b>Total other assets</b>		<b>175</b>		<b>335</b>
<b>Total assets</b>		<b>3,720</b>		<b>4,597</b>
<b>LIABILITIES</b>				
Creditors	(25)		(171)	
<b>Total liabilities</b>		<b>(25)</b>		<b>(171)</b>
<b>Net assets attributable to shareholders</b>		<b>3,695</b>		<b>4,426</b>

## Statement of change in net assets attributable to shareholders

(Unaudited)

For the six months ending 31 July

	£'000	2012 £'000	£'000	2011 £'000
<b>Opening net assets attributable to shareholders</b>		<b>4,426</b>		<b>-</b>
Amounts receivable on issue of shares	911		4,710	
Amounts payable on cancellation of shares	(302)		(230)	
		609		4,480
Change in net assets attributable to shareholders from investment activities (see above)		(1,339)		(174)
Stamp duty reserve tax		(1)		(1)
<b>Closing net assets attributable to shareholders</b>		<b>3,695</b>		<b>4,305</b>

As the comparatives in the above table are for the previous interim period, the net assets at the end of that period will not agree to the net assets at the start of the current period.

# JPM Global Property Securities Fund

## Investment objective and policy<sup>A</sup>

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

The Fund will invest in smaller companies and may invest in Emerging Markets on an ancillary basis.

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

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

## Risk profile

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

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

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

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

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

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

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

## Fund review

The Fund generated a positive return in the six-month period under review, but slightly underperformed its benchmark, net of fees. The main hindrance to the portfolio's relative performance was the negative contribution from exposures in Japan and Hong Kong. Two of the largest stock-level detractors from relative returns were overweight positions in the US hotel REIT Host Hotels & Resorts, and the Hong Kong operating company Sun Hung Kai Properties. Investment performance in the China and Australia accounted for the largest positive contributions to relative performance. Among the largest positive contributors were our overweight positions in Chinese operating company China Overseas Land, and Singaporean REIT CapitalCommercial Trust.

## Fund outlook

After the recent gains, Global REITs still trade at about an -18% equally-weighted discount to the value of their underlying portfolios. US REIT valuations remain rich versus large-cap equities and now real estate, at a +13% premium to net asset value. On the other hand, after the correction in Europe and longer-term underperformance in Asia, valuations were and continue to be more attractive outside the US.

Until a final solution to the European crisis is formulated we would expect a continued 'risk on, risk off' environment. This would favour safe-haven markets including the US. The exception is that aggressive policy loosening in China may eventually seep into Asia ex Japan markets like Singapore and Hong Kong, supporting potentially strong performance in that sub-region.

## 12 month performance to 31 July

	2012	2011	2010	2009	2008
<b>JPM Global Property Securities A-Class Acc</b>	<b>5.9%</b>	<b>14.7%</b>	<b>24.3%</b>	<b>-35.8%</b>	<b>-19.4%</b>
<b>JPM Global Property Securities I-Class Acc</b>	<b>6.5%</b>	<b>15.8%</b>	<b>25.4%</b>	<b>-35.3%</b>	<b>-18.8%</b>
<b>JPM Global Property Securities X-Class Acc</b>	<b>6.9%</b>	<b>16.0%</b>	<b>26.2%</b>	<b>-35.0%</b>	<b>-18.4%</b>
Benchmark Index <sup>®</sup>	6.3%	15.6%	24.4%	-35.0%	-17.2%

## Six month performance to 31 July 2012

<b>JPM Global Property Securities A-Class Acc</b>	<b>10.5%</b>
Benchmark Index <sup>®</sup>	10.9%

## Fund statistics

Risk and Reward Profile	<b>7</b>
Fund size	<b>£16.2m</b>
Benchmark Index <sup>®</sup>	<b>FTSE EPRA/NAREIT Developed Index (Net) Hedged to GBP</b>
Fund charges	
A-Class	<b>Initial 4.25%, Annual 1.50%</b>
I-Class	<b>Initial Nil, Annual 0.75%</b>
X-Class	<b>On application<sup>c</sup></b>

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).

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

Source: J.P. Morgan.

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

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

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

Source: FTSE International Limited ("FTSE") © FTSE 2012. "FTSE" is a trade mark of London Stock Exchange Plc and The Financial Times Limited and is used by FTSE International Limited under licence. All rights in the FTSE indices and/or FTSE ratings vest in FTSE and/or its licensors. Neither FTSE nor its licensors accept any liability for any errors or omissions in the FTSE indices and/or FTSE ratings or underlying data. No further distribution of FTSE Data is permitted without FTSE's express written consent.

## Top ten holdings

	%
Simon Property Group	6.5
Westfield Group	3.6
Mitsubishi Estate	3.1
Sun Hung Kai Properties	3.0
Ventas	3.0
Unibail-Rodamco	2.9
Mitsui Fudosan	2.9
Public Storage	2.8
Health Care Property Investors	2.8
Prologis	2.3

## Geographical breakdown

	%
United States of America	47.5
Hong Kong	10.8
Japan	9.7
Australia	9.5
United Kingdom	4.9
Singapore	4.8
Canada	4.8
France	4.0
Netherlands	1.7
Germany	0.2
Finland	0.2
Forward currency contracts	0.6
Net other assets	1.3

## Highest/lowest share price and distribution record

Calendar year	Highest share price	Lowest share price	Distribution per share (net)
<b>A-Class Accumulation Shares</b>			
2007	63.37p	50.33p	0.49p
2008	51.88p	21.76p	1.23p
2009	33.83p	18.47p	1.02p
2010	40.09p	31.61p	0.79p
2011	41.97p	32.22p	0.41p
2012 <sup>o</sup>	42.81p	36.23p	0.60p
<b>A-Class Income Shares</b>			
2007	63.15p	49.88p	0.49p
2008	51.41p	21.00p	1.21p
2009	31.41p	17.46p	0.98p
2010	36.36p	29.00p	0.73p
2011	38.03p	28.91p	0.40p
2012 <sup>o</sup>	38.18p	32.56p	0.57p
<b>I-Class Accumulation Shares</b>			
2007	127.3p	101.7p	1.89p
2008	104.8p	44.28p	4.17p
2009	69.38p	37.64p	2.51p
2010	82.88p	64.91p	2.22p
2011	87.32p	67.17p	1.51p
2012 <sup>o</sup>	89.62p	75.66p	1.68p
<b>I-Class Income Shares</b>			
2007	126.4p	99.95p	1.91p
2008	103.1p	42.09p	4.28p
2009	62.94p	34.88p	2.36p
2010	72.81p	57.92p	2.02p
2011	76.21p	57.85p	1.41p
2012 <sup>o</sup>	76.55p	65.17p	1.46p
<b>X-Class Accumulation Shares</b>			
2007	121.0p	96.98p	1.90p
2008	100.0p	42.44p	3.62p
2009	66.92p	36.14p	2.72p
2010	80.41p	62.65p	2.57p
2011	84.63p	65.18p	1.66p
2012 <sup>o</sup>	87.18p	73.51p	1.92p

<sup>o</sup> To 31 July 2012.

## Portfolio turnover rate

31.01.12	119.7%
31.07.12	65.2%

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.

## Net asset values and Ongoing charges

Date	Net asset value per share class £'000	Number of shares	Net asset value per share	Ongoing charges
<b>A-Class Accumulation Shares</b>				
31.01.10	8,563	26,479,382	32.34p	1.68%
31.01.11	7,443	18,813,656	39.56p	1.68%
31.01.12	6,893	17,778,549	38.77p	1.68%
31.07.12	7,432	17,411,510	42.68p	1.68%
<b>A-Class Income Shares</b>				
31.01.10	2,582	8,705,970	29.66p	1.68%
31.01.11	2,236	6,241,283	35.82p	1.68%
31.01.12	953	2,756,999	34.57p	1.68%
31.07.12	918	2,432,448	37.76p	1.68%
<b>I-Class Accumulation Shares</b>				
31.01.10	30	45,521	66.37p	0.75%
31.01.11	859	1,047,323	81.98p	0.75%
31.01.12	1,929	2,385,012	80.86p	0.75%
31.07.12	1,886	2,110,849	89.36p	0.75%
<b>I-Class Income Shares</b>				
31.01.10	5	8,000	59.22p	0.75%
31.01.11	5	7,000	71.57p	0.75%
31.01.12	6	9,000	69.06p	0.75%
31.07.12	6	7,500	75.47p	0.75%
<b>X-Class Accumulation Shares</b>				
31.01.10	5,700	8,899,205	64.06p	0.06%
31.01.11	7,048	8,898,205	79.21p	0.06%
31.01.12	6,982	8,899,205	78.46p	0.06%
31.07.12	5,973	6,869,699	86.95p	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 and any fixed 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 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 31 July 2012

Investment	Holding	Market value £'000	Total net assets %
<b>United States of America – 47.5% (47.8%)</b>			
Alexandria Real Estate	5,100	236	1.5
American Campus Communities	4,400	133	0.8
American Tower	2,545	117	0.7
Apartment Investment & Management 'A'	7,175	126	0.8
Associated Estates Realty	5,100	49	0.3
AvalonBay Communities	2,700	251	1.6
Boston Properties	4,950	347	2.1
Camden Property Trust	4,500	204	1.3
CubeSmart	11,500	89	0.5
DDR	14,600	140	0.9
Digital Realty Trust	3,000	151	0.9
Equity Lifestyle Properties	2,500	115	0.7
Equity Residential Properties Trust	7,100	287	1.8
Essex Property Trust	1,700	171	1.1
Federal Realty Investment Trust	500	35	0.2
General Growth Properties	25,300	294	1.8
Health Care Property Investors	14,949	449	2.8
Highwoods Properties	4,400	95	0.6
Host Hotels & Resorts	29,600	276	1.7
Kilroy Realty	3,200	97	0.6
Kimco Realty	14,900	184	1.1
LaSalle Hotel Properties	8,500	141	0.9
Liberty Property Trust	11,700	272	1.7
Macerich	8,700	323	2.0
National Retail Properties	9,400	176	1.1
Pebblebrook Hotel Trust	4,100	59	0.4
Post Properties	5,500	179	1.1
Prologis	17,956	369	2.3
Public Storage	4,800	459	2.8
Simon Property Group	10,222	1,050	6.5
SL Green Realty	3,900	197	1.2
Ventas	11,281	484	3.0
Vornado Realty Trust	2,236	119	0.7
<b>Hong Kong – 10.8% (12.5%)</b>			
China Overseas Land & Investments	142,000	214	1.3
China Resources Land	52,000	67	0.4
Hang Lung Properties	76,000	173	1.1
Hong Kong Land	52,000	199	1.2
Link Real Estate Investment Trust	47,000	131	0.8
New World Development	108,000	88	0.5
Sino Land	218,400	238	1.5
Sun Hung Kai Properties	61,000	485	3.0
Wharf	45,600	168	1.0
<b>Japan – 9.7% (8.1%)</b>			
Frontier Real Estate Investment	17	89	0.5
Industrial & Infrastructure Fund REIT#	11	46	0.3
Japan Real Estate Investment	35	211	1.3
Kenedix Realty Investment	19	39	0.2
Mitsubishi Estate	44,000	507	3.1
Mitsui Fudosan	38,000	472	2.9
Tokyo Tatemono	41,000	97	0.6
Tokyo REIT	43	133	0.8
<b>Australia – 9.5% (9.7%)</b>			
BGP#	577,927	-	-
Commonwealth Property Office Fund	144,199	103	0.6
Dexus Property Group	256,735	170	1.0
Goodman Group	71,073	178	1.1
Mirvac Group	173,692	158	1.0
Stockland Trust Group	96,721	216	1.3
Westfield Group	89,460	590	3.6
Westfield Retail Trust Units	70,026	143	0.9
<b>United Kingdom – 4.9% (4.8%)</b>			
British Land	60,362	323	2.0
Hammerson	32,402	151	0.9
Helical Bar	25,410	49	0.3
Land Securities	15,187	120	0.7
London & Stamford	109,448	126	0.8
Unite Group	12,587	27	0.2
<b>Singapore – 4.8% (3.7%)</b>			
CapitaCommercial Trust	230,000	158	1.0
CapitaLand	121,000	186	1.2
CapitaMalls Asia	219,000	182	1.1
City Developments	12,000	72	0.4
Global Logistic Properties	111,000	128	0.8
Keppel Land	32,000	56	0.3

Investment	Holding	Market value £'000	Total net assets %
<b>Canada – 4.8% (4.6%)</b>			
Allied Properties REIT	5,300	101	0.6
Brookfield Properties	14,675	158	1.0
Canadian Real Estate Investment	8,900	238	1.5
First Capital Realty	18,020	213	1.3
Riocan Real Estate Trust	3,170	58	0.4
<b>France – 4.0% (3.3%)</b>			
ICADE	1,510	74	0.5
Klepierre	4,497	94	0.6
Unibail-Rodamco	3,885	476	2.9
<b>Netherlands – 1.7% (2.9%)</b>			
Corio	4,275	122	0.8
Eurocommercial Properties	2,243	49	0.3
VastNed Retail	2,445	59	0.4
Wereldhave	820	28	0.2
<b>Germany – 0.2% (0.0%)</b>			
Alstria Office	5,080	36	0.2
<b>Finland – 0.2% (0.7%)</b>			
Technopolis	10,723	28	0.2
<b>Forward currency contracts – 0.6% (0.9%)</b>			
<b>Australian Dollar</b>			
Buy AUD 140,181 sell £92,335 dated 17/08/12		2	-
Sell AUD 2,253,074 buy £1,475,790 dated 17/08/12		(34)	(0.2)
Sell AUD 97,405 buy \$100,957 dated 17/08/12		(1)	-
<b>Canadian Dollar</b>			
Buy CAD 38,017 sell £24,041 dated 17/08/12		-	-
Sell CAD 965,895 buy £613,491 dated 17/08/12		(1)	-
<b>Euro</b>			
Buy €116,792 sell £92,006 dated 17/08/12		(1)	-
Sell €1,255,885 buy £989,702 dated 17/08/12		6	-
<b>Hong Kong Dollar</b>			
Buy HKD1,352,776 sell £112,527 dated 17/08/12		(1)	-
Sell HKD21,769,135 buy £1,812,256 dated 17/08/12		22	0.1
<b>Japanese Yen</b>			
Buy ¥4,109,533 sell £33,371 dated 17/08/12		-	-
Buy ¥9,956,048 sell £81,742 dated 17/08/12		(1)	-
Sell ¥197,168,264 buy £1,610,447 dated 17/08/12		3	-
Sell ¥9,098,089 buy £74,138 dated 17/08/12		-	-
Sell ¥5,917,535 buy \$75,364 dated 17/08/12		-	-
<b>Singapore Dollar</b>			
Buy SGD 100,000 sell £50,787 dated 17/08/12		-	-
Sell SGD 1,537,462 buy £782,891 dated 17/08/12		(5)	-
<b>US Dollar</b>			
Buy \$770,464 sell £496,487 dated 17/08/12		(5)	-
Sell \$13,032,623 buy £8,424,843 dated 17/08/12		116	0.7
Sell \$87,763 buy £55,798 dated 17/08/12		-	-
<b>Investment assets (including investment liabilities)</b>		<b>16,001</b>	<b>98.7</b>
<b>Net other assets</b>		<b>214</b>	<b>1.3</b>
<b>Net assets</b>		<b>16,215</b>	<b>100.0</b>

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

The comparative percentage figures in brackets are at 31 January 2012.

# Unquoted security

## Portfolio movements

For the six months ending 31 July 2012

	£'000		£'000
<b>Total of all purchases for the period</b>	<b>6,125</b>	<b>Total of all sales for the period</b>	<b>8,152</b>
<b>Major purchases</b>	<b>Cost</b>	<b>Major sales</b>	<b>Proceeds</b>
AvalonBay Communities	387	AvalonBay Communities	360
BRE Properties 'A'	290	Vornado Realty Trust	324
General Growth Properties	286	Kimco Realty	297
Liberty Property Trust	268	BRE Properties 'A'	297
Post Properties	262	Equity Residential Properties Trust	271
Kimco Realty	235	Regency Centers	256
Highwoods Properties	211	Macerich	247
Tanger Factory Outlet Centers	200	Glimcher Realty Trust	225
National Retail Properties	173	Tanger Factory Outlet Centers	213
Essex Property Trust	172	Simon Property Group	213
Health Care Property Investors	171	China Resources Land	192
Equity Lifestyle Properties	162	Mack Cali Realty	188
Mitsui Fudosan	148	Corio	172
Macerich	147	UDR	171
Digital Realty Trust	144	Duke Realty	170
CapitaMalls Asia	137	Dupont Fabros Technology	169
Global Logistic Properties	130	Weingarten Realty	168
Apartment Investment & Management 'A'	128	SL Green Realty	162
American Campus Communities	127	Health Care Property Investors	162
Boston Properties	115	CapitaLand	152

# Financial statements

## Statement of total return

(Unaudited)

For the six months ending 31 July

	£'000	2012 £'000	£'000	2011 £'000
Income				
Net capital gains		1,417		206
Revenue	294		328	
Expenses	(76)		(83)	
Net revenue before taxation	218		245	
Taxation	(47)		(31)	
Net revenue after taxation		171		214
<b>Total return before distributions</b>		<b>1,588</b>		<b>420</b>
Finance costs: Distributions		(178)		(214)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>1,410</b>		<b>206</b>

## Statement of change in net assets attributable to shareholders

(Unaudited)

For the six months ending 31 July

	£'000	2012 £'000	£'000	2011 £'000
<b>Opening net assets attributable to shareholders</b>		<b>16,763</b>		<b>17,591</b>
Amounts receivable on issue of shares	1,090		1,348	
Amounts payable on cancellation of shares	(3,211)		(1,722)	
		(2,121)		(374)
Change in net assets attributable to shareholders from investment activities (see above)		1,410		206
Retained distributions on accumulation shares		163		200
Stamp duty reserve tax		-		(1)
<b>Closing net assets attributable to shareholders</b>		<b>16,215</b>		<b>17,622</b>

As the comparatives in the above table are for the previous interim period, the net assets at the end of that period will not agree to the net assets at the start of the current period.

## Balance sheet

(Unaudited)

As at

	31 July 2012		31 January 2012	
	£'000	£'000	£'000	£'000
<b>ASSETS</b>				
Investment assets		16,050		16,717
Debtors	116		198	
Cash and bank balances	204		123	
<b>Total other assets</b>		<b>320</b>		<b>321</b>
<b>Total assets</b>		<b>16,370</b>		<b>17,038</b>
<b>LIABILITIES</b>				
Investment liabilities		(49)		(70)
Creditors	(99)		(198)	
Distribution payable on income shares	(7)		(7)	
<b>Total other liabilities</b>		<b>(106)</b>		<b>(205)</b>
<b>Total liabilities</b>		<b>(155)</b>		<b>(275)</b>
<b>Net assets attributable to shareholders</b>		<b>16,215</b>		<b>16,763</b>

# JPM Highbridge Statistical Market Neutral Fund

(this Fund is in the process of termination)

On 11 April 2012 the Authorised Corporate Director informed shareholders of the intention to close the above fund. On 23 May 2012 all trading in the fund ceased and on or around 8 June proceeds were sent to shareholders.

## Highest/lowest share price and distribution record

Calendar year	Highest share price	Lowest share price	Distribution per share (net)
<b>A-Class Accumulation Shares<sup>A</sup></b>			
2010	51.23p	49.92p	-
2011	52.42p	50.89p	0.00p
2012 <sup>B</sup>	52.74p	51.47p	0.00p

<sup>A</sup> A-Class Accumulation Shares were launched on 12 August 2010.

<sup>B</sup> To 7 June 2012.

## Net asset values and Total expense ratio

Date	Net asset value per share class £'000	Number of shares	Net asset value per share	Total expense ratios
<b>A-Class Accumulation Shares</b>				
31.01.11	12,484	24,277,040	51.42p	3.09%
31.01.12	12,736	24,349,774	52.30p	2.02%
31.07.12	1	-	-	-

# Financial statements

## Statement of total return

(Unaudited)

For the six months ending 31 July

	2012	2011
£'000	£'000	£'000
Income		
Net capital (losses)/gains	(101)	283
Revenue	(23)	(4)
Expenses	(79)	(110)
Performance fee	-	(35)
Net expense before taxation	(102)	(149)
Taxation	-	-
Net expense after taxation	(102)	(149)
<b>Total return before distributions</b>	<b>(203)</b>	<b>134</b>
Finance costs: Distributions	102	-
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>(101)</b>	<b>134</b>

## Balance sheet

(Unaudited)

As at

	31 July 2012	31 January 2012
£'000	£'000	£'000
<b>ASSETS</b>		
Investment assets	-	12,546
Debtors	-	166
Cash and bank balances	1	392
<b>Total other assets</b>	<b>1</b>	<b>558</b>
<b>Total assets</b>	<b>1</b>	<b>13,104</b>
<b>LIABILITIES</b>		
Investment liabilities	-	(311)
Creditors	-	(57)
<b>Total other liabilities</b>	<b>-</b>	<b>(57)</b>
<b>Total liabilities</b>	<b>-</b>	<b>(368)</b>
<b>Net assets attributable to shareholders</b>	<b>1</b>	<b>12,736</b>

## Statement of change in net assets attributable to shareholders

(Unaudited)

For the six months ending 31 July

	2012	2011
£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>	<b>12,736</b>	<b>12,484</b>
Amounts receivable on issue of shares	40	64
Amounts payable on cancellation of shares	(12,674)	(31)
	(12,634)	33
<b>Change in net assets attributable to shareholders from investment activities (see above)</b>	<b>(101)</b>	<b>134</b>
<b>Closing net assets attributable to shareholders</b>	<b>1</b>	<b>12,651</b>

As the comparatives in the above table are for the previous interim period, the net assets at the end of that period will not agree to the net assets at the start of the current period.

# JPM Institutional Asia Fund

## Investment objective and policy

To invest in a portfolio of securities in the markets of Asia (excluding Japan) and Australasia. The current policy is to invest for capital growth without any distribution target.

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

The Fund aims to provide broad market exposure which will include exposure to Emerging Markets. Smaller company investments and Participation Notes may be held on an ancillary basis.

## Risk profile

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

The value of Equity and Equity-Linked Securities may fluctuate in response to the performance of individual companies and general market conditions. Furthermore, Participation Notes run the risk of counterparty default which may result in the loss of the full market value of the Note.

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

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

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

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

## Fund review

In the period under review, the Fund underperformed its benchmark. Stock selection detracted the most from relative performance, while asset allocation was a small negative contributor. Stock selection in China, Hong Kong and Australia were detrimental, while the Fund's underweight position in Malaysia and overweight in China also detracted.

The first quarter saw a rally in markets, with a mild correction in March. The rally was led by the south-east Asian markets, with the Philippines and Thailand being standout performers, while the Greater China markets lagged as concerns about a hard landing for the Chinese economy weighed on markets. In the second quarter, markets remained volatile, falling so sharply in May they almost erased their year-to-date gains. Europe continued to take the limelight, with elections in France and Greece, a deposit flight across the Mediterranean and concerns in Germany. In China, the People's Bank of China is easing monetary policy and the government is accelerating investment, however, the market overall remains concerned about whether or not China's economy is going to experience a sharp slowdown.

## Fund outlook

The outlook for the second half of the year remains uncertain. While measures from the European Union summit were received optimistically, much still needs to be done. At the corporate level, valuations in Asia are attractive given solid balance sheets and robust medium- to longer-term growth outlooks. With a price-to-book value of less than 1.5x there is support, assuming external events do not deteriorate and economic growth in India and China does not slow further. The problem that will not convincingly go away is earnings forecast cuts. With depressed sentiment and illiquid trading, the effect of an earnings downgrade is pronounced.

## 12 month performance to 31 July

	2012	2011	2010	2009	2008
<b>JPM Institutional Asia I-Class Acc</b>	<b>-12.3%</b>	<b>18.0%</b>	<b>22.1%</b>	<b>7.6%</b>	<b>-10.8%</b>
<b>JPM Institutional Asia X-Class Inc</b>	<b>-11.7%</b>	<b>18.8%</b>	<b>22.8%</b>	<b>8.3%</b>	<b>-10.5%</b>
Benchmark Index <sup>A</sup>	-5.8%	16.0%	23.6%	4.1%	-8.6%

## Six month performance to 31 July 2012

<b>JPM Institutional Asia I-Class Acc</b>	<b>-2.1%</b>
Benchmark Index <sup>A</sup>	-0.3%

## Fund statistics

Risk and Reward Profile	7
Fund size	£173.7m
Benchmark Index <sup>A</sup>	FTSE All-World Asia Pacific ex Japan Index (Net)
Fund charges	
I-Class	Initial Nil, Annual 0.70%
X-Class	On application <sup>B</sup>

## Top ten holdings

	%
Samsung Electronics	6.5
Australia & New Zealand Bank Group	3.3
BHP Billiton	3.0
Wharf	2.9
KB Financial Group	2.9
National Australia Bank	2.6
China Mobile	2.4
KIA Motors	2.4
China Petroleum & Chemical 'H'	2.2
Kasikornbank (Alien Market)	2.2

You should remember that past performance is not a guide to the future. The price of investments and the income from them may fall as well as rise and investors may not get back the full amount invested. For specific risks, including the risk and reward profile, please refer to the Key Investor Information Document (KIID).

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

Source: J.P. Morgan.

<sup>A</sup> On 01/08/09 the benchmark for the Fund changed from FTSE World Asia Pacific ex Japan (Total Return Net) to FTSE All-World Asia Pacific ex Japan Index (Net).

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

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## Geographical breakdown

	%
Australia	17.9
South Korea	17.1
Hong Kong	16.1
China	15.1
Thailand	6.4
Taiwan	6.2
India	5.7
Singapore	3.9
Indonesia	3.4
Malaysia	1.4
Futures	0.1
Net other assets	6.7

## Highest/lowest share price and distribution record

Calendar year	Highest share price	Lowest share price	Distribution per share (net)
<b>H-Class Accumulation Shares<sup>c</sup></b>			
2009	163.0p	93.27p	-
2010 <sup>d</sup>	168.3p	149.9p	0.59p
<b>I-Class Accumulation Shares</b>			
2007	235.9p	158.3p	2.10p
2008	217.2p	112.0p	2.66p
2009	224.6p	128.5p	3.83p
2010	275.9p	205.2p	3.22p
2011	279.4p	199.2p	4.30p
2012 <sup>e</sup>	254.0p	220.6p	4.68p
<b>X-Class Income Shares</b>			
2007	221.9p	148.5p	2.66p
2008	204.5p	103.9p	3.38p
2009	202.7p	114.6p	4.43p
2010	246.0p	182.0p	3.49p
2011	249.2p	174.5p	5.22p
2012 <sup>e</sup>	217.4p	189.1p	5.49p

<sup>c</sup> H-Class Accumulation Shares were launched on 2 February 2009.

<sup>d</sup> H-Class Accumulation Shares closed on 1 February 2010.

<sup>e</sup> To 31 July 2012.

## Portfolio turnover rate

31.01.12	126.5%
31.07.12	58.7%

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.

## Net asset values and Ongoing charges

Date	Net asset value per share class £'000	Number of shares	Net asset value per share	Ongoing charges
<b>H-Class Accumulation Shares</b>				
31.01.10	383,894	255,367,318	150.3p	2.00%
<b>I-Class Accumulation Shares</b>				
31.01.10	10,902	5,258,749	207.3p	0.70%
31.01.11	400,433	151,653,909	264.0p	0.70%
31.01.12	317,872	131,398,663	241.9p	0.70%
31.07.12	171,008	72,170,400	237.0p	0.70%
<b>X-Class Income Shares</b>				
31.01.10 <sup>f</sup>	18,652	10,152,216	183.7p	0.06%
31.01.11 <sup>f</sup>	3,235	1,404,352	230.4p	0.06%
31.01.12 <sup>f</sup>	2,905	1,403,951	206.9p	0.06%
31.07.12	2,668	1,312,128	203.3p	0.06%

<sup>f</sup> The net asset value and the net asset value per income share are shown ex-dividend at the financial year end.

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 and any fixed 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 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 31 July 2012

Investment	Holding	Market value £'000	Total net assets %
<b>Australia - 17.9% (18.5%)</b>			
Asciano Group	573,984	1,656	1.0
Australia & New Zealand Bank Group	359,587	5,675	3.3
BHP Billiton	243,270	5,210	3.0
Computershare	346,000	1,776	1.0
National Australia Bank	266,358	4,456	2.6
Oil Search	383,000	1,766	1.0
QBE Insurance Group	386,636	3,640	2.1
QR National	745,000	1,590	0.9
Telstra Corporation	1,382,200	3,710	2.1
Treasury Wine Estates	536,000	1,575	0.9
<b>South Korea - 17.1% (12.4%)</b>			
Hankook Tire	65,000	1,528	0.9
Hyundai Heavy Industries	10,890	1,483	0.8
Hyundai Motor	19,290	2,578	1.5
KB Financial Group	247,103	5,030	2.9
KIA Motors	93,900	4,135	2.4
Samsung C&T	38,700	1,403	0.8
Samsung Electronics	15,355	11,334	6.5
Samsung Engineering	13,751	1,415	0.8
Shinsegae	6,806	796	0.5
<b>Hong Kong - 16.1% (19.4%)</b>			
Aia Group	1,418,800	3,179	1.8
Cheung Kong	371,000	3,112	1.8
Cheung Kong Infrastructure	546,000	2,103	1.2
Hong Kong Electric	304,500	1,526	0.9
Jardine Matheson	101,326	3,382	2.0
Jardine Strategic	172,350	3,450	2.0
Li & Fung	1,026,000	1,291	0.7
Tencent	191,600	3,649	2.1
Wharf	1,388,800	5,116	2.9
Wynn Macau	877,600	1,194	0.7
<b>China - 15.1% (13.9%)</b>			
China Construction Bank 'H'	7,634,990	3,283	1.9
China Mobile	565,000	4,228	2.4
China National Building Material 'H'	2,054,000	1,282	0.7
China Petroleum & Chemical 'H'	6,742,000	3,897	2.2
China Vanke 'B'	1,014,655	830	0.5
HengAn International	308,000	1,861	1.1
I.T Limited	7,394,000	1,976	1.1
Industrial & Commercial Bank of China 'H'	8,170,260	2,983	1.7
Intime Department Store	3,140,000	1,882	1.1
Orient Overseas International	61,000	220	0.1
Ping An Insurance 'H'	504,000	2,516	1.5
Sands China	734,800	1,384	0.8
<b>Thailand - 6.4% (3.5%)</b>			
Airports of Thailand Non-Voting Depository Receipt	561,000	778	0.5
Global Chemical (Alien Market)	1,349,501	1,619	0.9
Kasikornbank (Alien Market)	1,086,000	3,892	2.2
Krung Thai Bank (Alien Market)	5,105,900	1,695	1.0
LPN Development Non-Voting Depository Receipt	4,789,000	1,677	1.0
Quality Houses (Alien Market)	38,198,525	1,384	0.8
<b>Taiwan - 6.2% (7.2%)</b>			
Advanced Semiconductor Engineering	995,027	494	0.3
Catcher Technology	169,000	522	0.3
Foxconn Technology	547,650	1,235	0.7
Hon Hai Precision Industry	828,532	1,492	0.9
Mega Financial	4,241,160	2,193	1.3
Taiwan Semiconductor Manufacturing	1,865,237	3,211	1.8
Uni-President Enterprises	1,489,000	1,597	0.9
<b>India - 5.7% (8.8%)</b>			
Ambuja Cements	543,000	1,126	0.7
HDFC Bank	547,950	3,698	2.1
Hindalco Industries	822,347	1,134	0.7
Housing Development Finance	205,114	1,620	0.9
Infosys Technologies ADR	57,688	1,452	0.8
Tata Motors ADR	70,870	915	0.5
<b>Singapore - 3.9% (3.5%)</b>			
Keppel	461,093	2,638	1.5
Mapletree Industrial	1,967,800	1,301	0.8
Noble Group	1,977,000	1,084	0.6
Singapore Telecommunications	949,000	1,737	1.0

Investment	Holding	Market value £'000	Total net assets %
<b>Indonesia - 3.4% (3.6%)</b>			
Bank Central Asia	4,954,000	2,656	1.5
Telekomunikasi Indonesia 'B'	5,499,000	3,374	1.9
<b>Malaysia - 1.4% (0.4%)</b>			
CIMB Group	600,000	960	0.6
Gamuda	1,972,900	1,413	0.8
<b>Futures - 0.1% (0.2%)</b>			
H-Shares Index Futures Aug 2012	25	23	-
Kopsi 200 Index Futures Sep 2012	12	8	-
SPI 200 Futures Futures Sep 2012	50	93	0.1
<b>Investment assets</b>		<b>162,121</b>	<b>93.3</b>
<b>Net other assets</b>		<b>11,555</b>	<b>6.7</b>
<b>Net assets</b>		<b>173,676</b>	<b>100.0</b>

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

The comparative percentage figures in brackets are at 31 January 2012.

## Portfolio movements

For the six months ending 31 July 2012

	£'000		£'000
<b>Total of all purchases for the period</b>	<b>87,717</b>	<b>Total of all sales for the period</b>	<b>202,731</b>
<b>Major purchases</b>	<b>Cost</b>	<b>Major sales</b>	<b>Proceeds</b>
Shinhan Financial	4,423	BHP Billiton	5,377
KIA Motors	4,269	China Construction Bank 'H'	5,330
Aia Group	4,210	Singapore Telecommunications	5,304
Telekomunikasi Indonesia 'B'	4,095	Samsung Electronics	4,954
Keppel	3,530	CNOOC	4,637
QBE Insurance Group	3,269	Jardine Matheson	4,417
MacQuarie Group	3,260	China Mobile	4,328
Samsung Electronics	3,211	United Tractors	3,961
Computershare	2,870	MGM China	3,901
Bank Central Asia	2,702	Shinhan Financial	3,869
Cheung Kong Infrastructure	2,445	Hong Kong Electric	3,803
HDFC Bank	2,286	Infosys Technologies ADR	3,630
Genting Singapore	2,248	Industrial & Commercial Bank of China 'H'	3,622
Ramon House ELN 2015 (Deutsche Bank)	2,203	KB Financial Group	3,600
Housing Development Finance	2,137	Reliance Industries GDR	3,565
HengAn International	1,945	Bank Mandiri (Persero)	3,506
KB Financial Group	1,765	Rio Tinto	3,491
New World Development	1,697	Hyundai Heavy Industries	3,474
Global Chemical (Alien Market)	1,677	Suncorp-Metway	3,302
Hankook Tire	1,668	Wesfarmers	3,277

# Financial statements

## Statement of total return

(Unaudited)

For the six months ending 31 July

	2012	2011
	£'000	£'000
Income		
Net capital (losses)/gains	(16,539)	6,700
Revenue	3,916	5,931
Expenses	(915)	(1,341)
Net revenue before taxation	3,001	4,590
Taxation	(197)	(331)
Net revenue after taxation	2,804	4,259
<b>Total return before distributions</b>	<b>(13,735)</b>	<b>10,959</b>
Finance costs: Distributions	(857)	(556)
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>(14,592)</b>	<b>10,403</b>

## Statement of change in net assets attributable to shareholders

(Unaudited)

For the six months ending 31 July

	2012	2011
	£'000	£'000
<b>Opening net assets attributable to shareholders</b>	<b>320,777</b>	<b>403,668</b>
Amounts receivable on issue of shares	12,680	11,025
Amounts payable on cancellation of shares	(145,189)	(76,910)
	(132,509)	(65,885)
Change in net assets attributable to shareholders from investment activities (see above)	(14,592)	10,403
<b>Closing net assets attributable to shareholders</b>	<b>173,676</b>	<b>348,186</b>

As the comparatives in the above table are for the previous interim period, the net assets at the end of that period will not agree to the net assets at the start of the current period.

## Balance sheet

(Unaudited)

As at

	31 July 2012	31 January 2012
	£'000	£'000
<b>ASSETS</b>		
Investment assets	162,121	294,530
Debtors	164	2,564
Cash and bank balances	11,594	27,385
<b>Total other assets</b>	<b>11,758</b>	<b>29,949</b>
<b>Total assets</b>	<b>173,879</b>	<b>324,479</b>
<b>LIABILITIES</b>		
Investment liabilities	-	(89)
Creditors	(203)	(3,536)
Distribution payable on income shares	-	(77)
<b>Total other liabilities</b>	<b>(203)</b>	<b>(3,613)</b>
<b>Total liabilities</b>	<b>(203)</b>	<b>(3,702)</b>
<b>Net assets attributable to shareholders</b>	<b>173,676</b>	<b>320,777</b>

# JPM Institutional Continental Europe Fund

(this Fund is in the process of termination following the merger with JPM Europe Fund on 1 February 2012)

## Merger of the Fund

On the 7 December 2011 the Authorised Corporate Director informed shareholders of a proposal to merge the above fund into the JPM Europe Fund, another fund of JPMorgan Fund ICVC. Shareholders resolved to approve the proposed merger at the Extraordinary General Meeting of 13 December 2011 and the fund was subsequently into the JPM Europe Fund on 1 February 2012.

## Highest/lowest share price and distribution record

Calendar year	Highest share price	Lowest share price	Distribution per share (net)
<b>I-Class Accumulation Shares</b>			
2007	363.9p	309.0p	4.88p
2008	355.6p	201.2p	7.38p
2009	323.0p	188.9p	9.66p
2010	339.6p	271.6p	6.95p
2011	369.1p	250.3p	7.54p
2012 <sup>A</sup>	294.2p	276.5p	9.73p
<b>X-Class Income Shares</b>			
2007	343.8p	293.1p	5.79p
2008	334.6p	185.7p	8.31p
2009	285.9p	166.7p	10.08p
2010	293.7p	234.4p	7.21p
2011	311.6p	211.8p	7.55p
2012 <sup>A</sup>	249.3p	234.3p	9.36p

<sup>A</sup> To 1 February 2012.

## Net asset values and Total expense ratio

Date	Net asset value per share class £'000	Number of shares	Net asset value per share	Total expense ratio
<b>I-Class Accumulation Shares</b>				
31.01.10	84,624	29,227,516	289.5p	0.60%
31.01.11	100,466	29,378,101	342.0p	0.60%
31.01.12	50,332	17,312,589	290.7p	0.60%
31.07.12	-	-	-	-
<b>X-Class Income Shares</b>				
31.01.10 <sup>B</sup>	10,589	4,245,028	249.4p	0.06%
31.01.11 <sup>B</sup>	4,833	1,676,215	288.3p	0.06%
31.01.12 <sup>B</sup>	4,299	1,814,844	236.9p	0.06%
31.07.12	-	-	-	-

<sup>B</sup> The net asset value and the net asset value per income share are shown ex-dividend at the financial year end.

# Financial statements

## Statement of total return

(Unaudited)

For the six months ending 31 July

	£'000	2012 £'000	£'000	2011 £'000
Income				
Net capital gains/(losses)		22		(5,784)
Revenue	-		3,095	
Expenses	-		(297)	
Net revenue before taxation	-		2,798	
Taxation	-		(349)	
Net revenue after taxation		-		2,449
<b>Total return before distributions</b>		<b>22</b>		<b>(3,335)</b>
Finance costs: Distributions		-		(45)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>22</b>		<b>(3,380)</b>

## Balance sheet

(Unaudited)

As at

	31 July 2012		31 January 2012	
	£'000	£'000	£'000	£'000
<b>ASSETS</b>				
Investment assets		-		53,491
Debtors	-			285
Cash and bank balances	-			1,050
<b>Total other assets</b>		<b>-</b>		<b>1,335</b>
<b>Total assets</b>		<b>-</b>		<b>54,826</b>
<b>LIABILITIES</b>				
Creditors	-			(25)
Distribution payable on income shares	-			(170)
<b>Total liabilities</b>		<b>-</b>		<b>(195)</b>
<b>Net assets attributable to shareholders</b>		<b>-</b>		<b>54,631</b>

## Statement of change in net assets attributable to shareholders

(Unaudited)

For the six months ending 31 July

	£'000	2012 £'000	£'000	2011 £'000
<b>Opening net assets attributable to shareholders</b>		<b>54,631</b>		<b>105,299</b>
Amounts transferred to JPM Europe Fund		(54,653)		-
Amounts receivable on issue of shares	-		5,119	
Amounts payable on cancellation of shares	-		(8,618)	
		-		(3,499)
<b>Change in net assets attributable to shareholders from investment activities (see above)</b>		<b>22</b>		<b>(3,380)</b>
<b>Closing net assets attributable to shareholders</b>		<b>-</b>		<b>98,420</b>

As the comparatives in the above table are for the previous interim period, the net assets at the end of that period will not agree to the net assets at the start of the current period.

# JPM Japan Fund

## Investment objective and policy

To provide capital growth over the long term by investing primarily in the shares of Japanese companies.

Japanese companies are companies that are incorporated under the laws of, and have their registered office in, Japan, or that derive the predominant part of their economic activity from Japan, even if listed elsewhere.

The Fund may have exposure to smaller companies.

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

## Risk profile

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

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

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

The single market in which the Fund primarily invests, in this case Japan, may be subject to particular political and economic risks and, as a result, the Fund may be more volatile than more broadly diversified funds.

The Fund may be concentrated in a limited number of securities and, as a result, may be more volatile than more broadly diversified funds.

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

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

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

## Fund review

The market abruptly reversed last year's trends in February and March, with a dramatic sell-off in internet, healthcare and some specialty retailers. Meanwhile, steel, financials and technology – especially yen-sensitive stocks rallied very hard. One reason for this was the better-than-expected data in the first quarter, which reversed in the second. Another reason was the change by the Bank of Japan to a more aggressive stance on monetary policy after encountering strong political pressure to do more to support the economy. A continued strong yen has been a persistent headwind to Japanese export competitiveness and more aggressive policy might be expected to weaken this. One major negative was an increase in regulation around mobile gaming, which caused stocks to de-rate, and created great uncertainty around future earnings levels. The industry has adopted a new code of practice in close co-operation with the authorities and the initial impacts to revenue appear slight. The leading firms are also seeing some of their content being adopted overseas, which offers the prospect of much higher medium-term growth. In the second quarter, some of these trends reversed and we used the opportunity to increase our exposure in the Fund to some very cheaply priced stocks in consumer credit, car retailing and some undervalued asset plays. These sectors are now emerging from a multi-year period of poor performance, where many competitors have failed and the industry landscape has been transformed.

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).

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

## Fund outlook

Given the current very low level of market valuations and the long awaited reorganisation of some domestic sectors – where companies are finally being forced to become profitable – there are a lot of interesting possibilities for experienced management teams with strong business models. We do not believe that current share prices reflect the earnings power, or the opportunities that these management teams have.

## 12 month performance to 31 July

	2012	2011	2010	2009	2008
<b>JPM Japan A-Class Acc</b>	<b>-12.8%</b>	<b>15.9%</b>	<b>7.4%</b>	<b>1.6%</b>	<b>-25.2%</b>
<b>JPM Japan C-Class Acc</b>	<b>-12.0%</b>	<b>16.8%</b>	<b>7.3%</b>	<b>3.1%</b>	<b>-</b>
<b>Benchmark Index</b>	<b>-7.4%</b>	<b>8.2%</b>	<b>5.6%</b>	<b>0.8%</b>	<b>-12.3%</b>

## Six month performance to 31 July 2012

<b>JPM Japan A-Class Acc</b>	<b>-3.0%</b>
<b>Benchmark Index</b>	<b>-3.0%</b>

## Fund statistics

<b>Risk and Reward Profile</b>	<b>6</b>
<b>Fund size</b>	<b>£67.1m</b>
<b>Benchmark Index</b>	<b>TOPIX (Net)</b>
<b>Fund charges</b>	
A-Class	<b>Initial 4.25%, Annual 1.50%</b>
C-Class	<b>Initial Nil, Annual 0.75%</b>

## Top ten holdings

	%
Trancom	6.5
Mitsubishi UFJ Financial Group	5.4
ORIX	5.1
Nippon Telegraph & Telephone	5.0
Nissan Motor	4.9
Sumitomo Mitsui Financial Group	4.3
Sumitomo	4.1
Hitachi	4.0
United Technology	3.6
Nexon	3.6

## Sector breakdown

	%
Industrials	26.4
Consumer goods	22.3
Financials	18.3
Technology	9.9
Consumer services	8.4
Telecommunications	7.6
Health care	6.4
Basic materials	1.0
Net other liabilities	(0.3)

## Highest/lowest share price and distribution record

Calendar year	Highest share price	Lowest share price	Distribution per share (net)
<b>A-Class Accumulation Shares</b>			
2007	227.2p	190.4p	0.00p
2008	202.8p	130.9p	0.00p
2009	184.6p	131.3p	0.83p
2010	212.6p	164.2p	0.00p
2011	207.3p	156.7p	0.00p
2012 <sup>A</sup>	193.9p	171.1p	0.03p
<b>A-Class Income Shares<sup>B</sup></b>			
2007	51.78p	46.04p	-
2008	49.06p	31.66p	0.00p
2009	44.57p	44.11p	0.14p
2010	51.34p	39.65p	0.00p
2011	50.05p	37.83p	0.00p
2012 <sup>A</sup>	46.81p	41.31p	0.00p
<b>C-Class Accumulation Shares<sup>C</sup></b>			
2007	109.5p	97.49p	-
2008	103.9p	67.41p	0.32p
2009	95.67p	68.38p	0.89p
2010	110.8p	85.88p	0.39p
2011	109.0p	82.18p	0.69p
2012 <sup>A</sup>	102.4p	90.61p	0.82p

<sup>A</sup> To 31 July 2012.

<sup>B</sup> A-Class Income Shares were launched on 1 September 2007.

<sup>C</sup> C-Class Accumulation Shares were launched on 13 September 2007.

## Portfolio turnover rate

31.01.12	238.8%
31.07.12	129.1%

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.

## Net asset values and Ongoing charges

Date	Net asset value per share class £'000	Number of shares	Net asset value per share	Ongoing charges
<b>A-Class Accumulation Shares</b>				
31.01.10	108,803	61,831,438	176.0p	1.63%
31.01.11	84,870	44,662,175	190.0p	1.67%
31.01.12	73,408	40,002,768	183.5p	1.67%
31.07.12	63,633	35,743,308	178.0p	1.67%
<b>A-Class Income Shares</b>				
31.01.10 <sup>D</sup>	325	764,279	42.49p	1.64%
31.01.11 <sup>D</sup>	203	441,524	45.89p	1.67%
31.01.12 <sup>D</sup>	299	674,148	44.32p	1.65%
31.07.12	1,577	3,668,996	42.99p	1.65%
<b>C-Class Accumulation Shares</b>				
31.01.10	2,231	2,439,519	91.47p	0.87%
31.01.11	2,222	2,230,990	99.58p	0.87%
31.01.12	2,038	2,102,190	96.95p	0.87%
31.07.12	1,859	1,968,174	94.44p	0.87%

<sup>D</sup> The net asset value and the net asset value per income share are shown ex-dividend at the financial year end.

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 and any fixed 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 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 31 July 2012

Investment	Holding	Market value £'000	Total net assets %
<b>Industrials - 26.4% (25.3%)</b>			
<b>Construction &amp; materials - 1.5%</b>			
Raito Kogyo	121,200	332	0.5
Sanwa	250,000	671	1.0
<b>Electronics &amp; electrical equipment - 4.6%</b>			
Enplas	20,400	383	0.6
Hitachi	714,000	2,701	4.0
<b>Industrial engineering - 7.0%</b>			
Daido Metal	60,000	361	0.5
Disco	16,600	560	0.8
FANUC	18,200	1,812	2.7
Isuzu Motors	517,000	1,699	2.6
Mitsubishi Electric	41,000	209	0.3
Tomoe Engineering	3,800	47	0.1
<b>Industrial transportation - 6.5%</b>			
Trancom	337,700	4,414	6.5
<b>Support services - 6.8%</b>			
Arealink	13,881	402	0.6
GMO Payment Gateway	64,800	799	1.2
Outsourcing	253,000	617	0.9
Sumitomo	306,500	2,759	4.1
<b>Consumer goods - 22.3% (35.0%)</b>			
<b>Automobiles &amp; parts - 13.6%</b>			
Musashi Seimitsu Industries	101,900	1,122	1.7
Nissan Motor	542,500	3,286	4.9
Nissin Kogyo	151,000	1,284	1.9
Sumitomo Electric	276,400	2,094	3.1
Unipres	77,000	1,307	2.0
<b>Beverages - 0.5%</b>			
Asahi Breweries	23,100	332	0.5
<b>Food producers - 0.1%</b>			
Toyo Suisan Kaisha	5,000	77	0.1
<b>Household goods - 0.9%</b>			
Sanrio	26,300	579	0.9
<b>Leisure goods - 5.0%</b>			
Namco Bandai	107,400	985	1.4
Nexon	181,100	2,385	3.6
<b>Personal goods - 1.0%</b>			
TSI Holdings	83,500	332	0.5
UNI Charm	9,500	333	0.5
<b>Tobacco - 1.2%</b>			
Japan Tobacco	39,400	791	1.2
<b>Financials - 18.3% (0.0%)</b>			
<b>Banks - 9.7%</b>			
Mitsubishi UFJ Financial Group	1,171,100	3,619	5.4
Sumitomo Mitsui Financial Group	142,500	2,890	4.3
<b>General financial - 7.4%</b>			
ACOM	54,180	725	1.1
J Trust	126,400	817	1.2
ORIX	56,760	3,448	5.1
<b>Real estate - 1.2%</b>			
Industrial & Infrastructure Fund REIT	177	740	1.1
Sumitomo Realty & Development	4,000	64	0.1
<b>Technology - 9.9% (14.9%)</b>			
<b>Software &amp; computer services - 4.6%</b>			
CyberAgent	1,887	2,380	3.5
So-Net Entertainment	263	704	1.1
<b>Technology hardware &amp; equipment - 5.3%</b>			
Anritsu	141,000	1,119	1.7
United Technology	5,781	2,404	3.6

Investment	Holding	Market value £'000	Total net assets %
<b>Consumer services - 8.4% (18.4%)</b>			
<b>Automobiles &amp; parts - 1.2%</b>			
VT Holding	139,400	773	1.2
<b>General retailers - 7.2%</b>			
Benesse	2,400	72	0.1
Don Quijote	45,800	976	1.4
Rakuten	314,900	1,995	3.0
Seven & I	89,600	1,815	2.7
<b>Telecommunications - 7.6% (0.0%)</b>			
<b>Fixed line telecommunications - 5.0%</b>			
Nippon Telegraph & Telephone	113,400	3,347	5.0
<b>Mobile telecommunications - 2.6%</b>			
Softbank	71,700	1,757	2.6
<b>Health care - 6.4% (5.9%)</b>			
<b>Health care equipment &amp; services - 6.4%</b>			
Asahi Intecc	62,200	1,086	1.6
Nikkiso	234,000	1,709	2.6
Ship Health Care	88,900	1,484	2.2
<b>Basic materials - 1.0% (0.0%)</b>			
<b>Chemicals - 1.0%</b>			
Kansai Paint	100,000	669	1.0
<b>Investment assets</b>		<b>67,266</b>	<b>100.3</b>
<b>Net other liabilities</b>		<b>(197)</b>	<b>(0.3)</b>
<b>Net assets</b>		<b>67,069</b>	<b>100.0</b>

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

The comparative percentage figures in brackets are at 31 January 2012.

## Portfolio movements

For the six months ending 31 July 2012

	£'000		£'000
<b>Total of all purchases for the period</b>	<b>51,830</b>	<b>Total of all sales for the period</b>	<b>57,622</b>
<b>Major purchases</b>	<b>Cost</b>	<b>Major sales</b>	<b>Proceeds</b>
ORIX	3,810	Konami	3,978
Nissan Motor	3,736	Hitachi	3,383
Nippon Telegraph & Telephone	3,592	Capcom	3,288
Mitsubishi UFJ Financial Group	3,260	Daihatsu Motor	2,942
Sumitomo Mitsui Financial Group	2,889	Gree	2,859
Sumitomo	2,602	Namco Bandai	2,678
Seven & I	2,425	Mitsubishi Electric	2,666
Sumitomo Electric	2,308	F.C.C.	2,472
Nexon	2,042	Don Quijote	2,239
Mitsubishi Electric	1,823	Nidec	2,184
Isuzu Motors	1,769	UNI Charm	2,152
Hitachi	1,757	Rakuten	2,141
Toyo Suisan Kaisha	1,466	Sega Sammy	1,823
Softbank	1,435	Skymark Airlines	1,578
Asahi Breweries	1,416	Bit-Isle	1,488
Disco	1,185	Toyo Suisan Kaisha	1,424
Anritsu	1,107	Nippon Seiki	1,355
Namco Bandai	909	Ship Health Care Holdings	1,297
Net One Systems	857	Asahi Breweries	1,124
VT Holding	810	FANUC	970

# Financial statements

## Statement of total return

(Unaudited)

For the six months ending 31 July

	£'000	2012 £'000	£'000	2011 £'000
Income				
Net capital (losses)/gains		(2,261)		5,655
Revenue	847		957	
Expenses	(583)		(656)	
Net revenue before taxation	264		301	
Taxation	(59)		(65)	
Net revenue after taxation		205		236
<b>Total return before distributions</b>		<b>(2,056)</b>		<b>5,891</b>
Finance costs: Distributions		(23)		(3)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(2,079)</b>		<b>5,888</b>

## Balance sheet

(Unaudited)

As at

	31 July 2012		31 January 2012	
	£'000	£'000	£'000	£'000
<b>ASSETS</b>				
Investment assets		67,266		75,331
Debtors	810		56	
Cash and bank balances	374		801	
<b>Total other assets</b>		<b>1,184</b>		<b>857</b>
<b>Total assets</b>		<b>68,450</b>		<b>76,188</b>
<b>LIABILITIES</b>				
Creditors	(1,381)		(443)	
<b>Total liabilities</b>		<b>(1,381)</b>		<b>(443)</b>
<b>Net assets attributable to shareholders</b>		<b>67,069</b>		<b>75,745</b>

## Statement of change in net assets attributable to shareholders

(Unaudited)

For the six months ending 31 July

	£'000	2012 £'000	£'000	2011 £'000
<b>Opening net assets attributable to shareholders</b>		<b>75,745</b>		<b>87,295</b>
Amounts receivable on issue of shares	5,130		3,813	
Amounts payable on cancellation of shares	(11,727)		(7,410)	
		(6,597)		(3,597)
<b>Change in net assets attributable to shareholders from investment activities (see above)</b>		<b>(2,079)</b>		<b>5,888</b>
<b>Closing net assets attributable to shareholders</b>		<b>67,069</b>		<b>89,586</b>

As the comparatives in the above table are for the previous interim period, the net assets at the end of that period will not agree to the net assets at the start of the current period.

# JPM Multi-Asset Income Fund

## Investment objective and policy

To provide income by investing primarily in a global portfolio of income generating securities.

The Fund will predominantly invest in fixed and floating rate Debt Securities and Equity and Equity Linked Securities to generate income. The Fund may invest in High-Yield Bonds, Convertible Bonds, Investment Grade, Below-Investment Grade and Unrated securities, Real Estate Investment Trusts ("REITs"), smaller companies and collective investment schemes as the investment Adviser deems appropriate. Issuers of securities may be located in any country, including Emerging Markets and the Fund may invest in assets denominated in any currency. Non-Sterling currency exposure (excluding Emerging Markets local currency) will be hedged back to Sterling. **The Fund may use Financial Derivative Instruments (derivatives) and forward transactions for investment purposes and Efficient Portfolio Management, including hedging.**

## Risk profile

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

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

The Fund may have a significant exposure to Asset and Mortgage Backed Securities (ABS and MBS). ABS/MBS may be difficult to sell, subject to adverse changes to interest rates and to the risk that the payment obligations of the underlying asset are not met.

The Fund may use Financial Derivative Instruments (derivatives) and/or forward transactions for investment purposes. The value of derivatives can be volatile. This is because a small movement in the value of the underlying asset can cause a large movement in the value of the derivative and therefore, investment in derivatives may result in losses in excess of the amount invested by the Fund.

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

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

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

The Fund's asset allocation is actively managed. There is a risk that the performance of the Fund will suffer if the allocation to any particular asset class is low when that asset class is outperforming or high when that asset class is underperforming.

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

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

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

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

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

## Fund review

The Fund paid dividends in April and July, equivalent to an annualised yield of 5.1% net of basic rate tax and expenses.

With improvements in the performance of risk assets, the Fund's capital value increased and performance was ahead of the customised benchmark. REITs were among the strongest performing holdings in the portfolio, with our convertible bond and emerging market debt exposure also performing well. The most significant change in asset allocation in the review period was a reduction in the total equity exposure by over 3%. In contrast, we added to the fixed income allocation in the portfolio, through increases in exposure to high yield, emerging market and mortgage debt. High yield bonds remain a core allocation with a position in excess of 35%, which reflects our low, but positive US growth trajectory and strong corporate balance sheet theme. We believe current yields and spreads provide an attractive risk/return trade-off, especially when compared to other asset classes.

## Fund outlook

We believe that the environment of global central banks continuing to ease policy rates and announce unconventional easing measures bodes well for taking credit exposure in the portfolio. We reduced our European exposure in the summer of last year due to challenges on growth, but believe the political will for Germany and the European Central Bank to preserve the viability of the euro remains high. We are unlikely to add further equity exposure in the near term.

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).

All performance returns are calculated using the quoted price of the accumulation or income shares. Performance returns are in Sterling. Blended benchmarks have been calculated by JPMAM.

Source: J.P. Morgan.

<sup>1</sup> The launch of this share class occurred less than 12 months ago and as a result no performance return is reported.

<sup>2</sup> On 01/04/10 part of the element of the composite benchmark for the Fund changed from 10% Global Property Research 250 (Net) hedged into GBP to 10% FTSE EPRA/NAREIT Developed Index (Net) hedged into GBP. On 01/03/11 the composite benchmark changed from 10% JPM GBI - Emerging Markets Global Index in GBP, 45% BofA Merrill Lynch High Yield BB-B Constrained Index hedged to GBP, 10% FTSE EPRA/NAREIT Developed Index hedged to GBP, 25% MSCI World Index hedged to GBP, 10% BofA Merrill Lynch Sterling Broad Market Index in GBP to 40% MSCI World Index (Net) - hedged to GBP, 30% Barclays U.S. High Yield 2% Issuer Cap Index (Gross) - hedged to GBP, 30% Barclays Global Credit Index - hedged to GBP.

<sup>3</sup> As agreed from time to time between the ACD and the relevant JPMorgan Chase & Co. entity.

Benchmark Source: MSCI. The MSCI data is comprised of a custom index calculated by MSCI for, and as requested by JPMorgan Asset Management (UK) Ltd. The MSCI data is for internal use only and may not be redistributed or used in connection with creating or offering any securities, financial products or indices. Neither MSCI nor any other third party involved in or related to compiling, computing or creating the MSCI data (the "MSCI Parties") makes any express or implied warranties or representations with respect to such data (or the results to be obtained by the use thereof), and the MSCI Parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability or fitness for a particular purpose with respect to such data. Without limiting any of the foregoing, in no event shall any of the MSCI Parties have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

## 12 month performance to 31 July

	2012	2011	2010
<b>JPM Multi-Asset Income A-Class Acc</b>	<b>3.9%</b>	<b>9.0%</b>	<b>15.2%</b>
<b>JPM Multi-Asset Income C-Class Acc<sup>A</sup></b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>JPM Multi-Asset Income X-Class Inc</b>	<b>4.8%</b>	<b>10.1%</b>	<b>-</b>
Benchmark Index <sup>B</sup>	5.5%	10.1%	17.3%

## Six month performance to 31 July 2012

<b>JPM Multi-Asset Income A-Class Acc</b>	<b>5.6%</b>
Benchmark Index <sup>B</sup>	4.7%

## Fund statistics

Risk and Reward Profile	<b>5</b>
Fund size	<b>£64.8m</b>
Benchmark Index <sup>A</sup>	<b>40% MSCI World Index (Net) - hedged to GBP, 30% Barclays U.S. High Yield 2% Issuer Cap Index (Gross) - hedged to GBP, 30% Barclays Global Credit Index - hedged to GBP</b>
Fund charges	
A-Class	<b>Initial 4.25%, Annual 1.25%</b>
C-Class	<b>Initial Nil, Annual 0.65%</b>
X-Class	<b>On application<sup>C</sup></b>

## Top ten holdings

	%
Time Warner	0.8
Iraq 5.8% 2028	0.7
Merck & Co	0.6
British American Tobacco	0.6
Pfizer	0.6
Verizon Communications	0.6
Royal Dutch Shell 'A'	0.6
Russian 12.75% 2028	0.6
Schneider Electric	0.6
Roche (Genusscheine)	0.6

## Sector breakdown

	%
Corporate bonds	52.6
Equities	38.2
Convertible bonds	4.5
Government bonds	2.1
Forward currency contracts	1.0
Net other assets	1.6

In line with current accounting practice the sector breakdown includes the unrealised profit or loss on derivative holdings and consequently the economic market exposure of the fund cannot be fully determined from the above disclosure.

## Highest/lowest share price and distribution record

Calendar year	Highest share price	Lowest share price	Distribution per share (net)
<b>A-Class Accumulation Shares<sup>D</sup></b>			
2009	59.42p	50.24p	0.94p
2010	65.78p	58.35p	3.36p
2011	68.50p	59.77p	3.51p
2012 <sup>E</sup>	69.73p	64.25p	2.45p
<b>A-Class Income Shares<sup>D</sup></b>			
2009	58.42p	50.24p	0.94p
2010	61.36p	55.91p	3.23p
2011	62.75p	53.50p	3.18p
2012 <sup>E</sup>	60.13p	56.69p	2.13p
<b>C-Class Accumulation Shares<sup>F</sup></b>			
2012 <sup>E</sup>	102.3p	96.58p	1.42p
<b>C-Class Income Shares<sup>F</sup></b>			
2012 <sup>E</sup>	102.9p	97.20p	1.51p
<b>X-Class Income Shares<sup>H</sup></b>			
2010	110.3p	100.0p	1.53p
2011	113.4p	97.09p	5.90p
2012 <sup>E</sup>	110.0p	103.1p	3.98p

<sup>D</sup> A-Class Accumulation and A-Class Income Shares were launched on 30 June 2009.

<sup>E</sup> To 31 July 2012.

<sup>F</sup> C-Class Accumulation were launched on 1 May 2012.

<sup>G</sup> C-Class Income Shares were launched on 25 April 2012.

<sup>H</sup> X-Class Income Shares were launched on 7 July 2010.

## Portfolio turnover rate

31.01.12	117.0%
31.07.12	40.6%

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

## Net asset values and Ongoing charges

Date	Net asset value per share class £'000	Number of shares	Net asset value per share	Ongoing charges
<b>A-Class Accumulation Shares</b>				
31.01.10	12,826	21,878,031	58.62p	1.43%
31.01.11	13,251	19,993,416	66.28p	1.43%
31.01.12	23,278	35,379,772	65.79p	1.43%
31.07.12	30,643	44,103,641	69.48p	1.43%
<b>A-Class Income Shares</b>				
31.01.10	6,623	11,651,616	56.84p	1.43%
31.01.11	3,581	5,873,739	60.97p	1.43%
31.01.12	13,415	23,346,692	57.46p	1.43%
31.07.12	19,394	32,804,193	59.12p	1.43%
<b>C-Class Accumulation Shares</b>				
31.07.12	99	96,922	102.0p	0.77%
<b>C-Class Income Shares</b>				
31.07.12	159	156,954	101.2p	0.77%
<b>X-Class Income Shares</b>				
31.01.11	15,636	14,231,250	109.9p	0.06%
31.01.12	14,047	13,429,180	104.6p	0.06%
31.07.12	14,523	13,428,180	108.2p	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 and any fixed 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 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 31 July 2012

Investment	Holding	Market value £'000	Total net assets %	Investment	Holding	Market value £'000	Total net assets %
<b>Corporate bonds - 52.6% (44.1%)</b>							
<b>US Dollar - 52.6%</b>							
ABFC Asset Backed Certificates 2033	\$140,673	72	0.1	Bill Barrett 9.875% 2016	\$35,000	25	-
ABFC Asset Backed Certificates 2034	\$144,775	61	0.1	Biomet 10.375% 2017	\$250,000	170	0.3
ABS Home Equity Loan FRN 2031	\$100,068	50	0.1	Biomet 6.5% 2020	\$26,000	17	-
ACCO Brands 6.75% 2020	\$10,000	7	-	Boart Longyear 7% 2021	\$10,000	7	-
Accredited Mortgage Loan Trust FRN 2035	\$124,212	62	0.1	Boise Paper 8% 2020	\$50,000	36	0.1
Ace Cash Express 11% 2019	\$70,000	40	0.1	Breitbart Energy Partners 8.625% 2020	\$100,000	68	0.1
ACL 10.625% 2016	\$25,000	16	-	Briggs & Stratton 6.875% 2020	\$100,000	68	0.1
Actuant 5.625% 2022	\$10,000	7	-	Brightstar Corporation 9.5% 2016	\$45,000	30	0.1
Advanced Micro Devices 8.125% 2017	\$30,000	20	-	Building Materials 6.75% 2021	\$150,000	104	0.2
Advanced Micro Devices 7.75% 2020	\$25,000	17	-	Bumble Bee Acquisition 9% 2017	\$257,000	165	0.3
Aircastle 6.75% 2017	\$100,000	67	0.1	Burger King 9.875% 2018	\$15,000	11	-
Aircastle 7.625% 2020	\$5,000	3	-	BWAY 10% 2018	\$10,000	7	-
Aircastle 9.75% 2018	\$25,000	18	-	Cablevision Systems 8.625% 2017	\$9,500	7	-
AK Steel 7.625% 2020	\$20,000	11	-	Cablevision Systems 7.75% 2018	\$60,000	42	0.1
AK Steel 8.375% 2022	\$12,000	6	-	Caesars Escrow 8.5% 2020	\$40,000	26	-
Alliance One International 10% 2016	\$20,000	13	-	Calpine 7.875% 2020	\$200,000	144	0.2
Alliant Techsystems 6.875% 2020	\$15,000	10	-	Calpine 7.875% 2023	\$30,000	22	-
Ally Financial 4.625% 2015	\$30,000	20	-	Calpine Construction Finance 8% 2016	\$125,000	86	0.1
Ally Financial 5.5% 2017	\$20,000	13	-	Calumet Specialty Products 9.375% 2019	\$13,000	9	-
Ally Financial 6.25% 2017	\$250,000	172	0.3	Calumet Specialty Products 9.625% 2020	\$11,000	7	-
Ally Financial 7.5% 2020	\$130,000	96	0.2	Capella Healthcare 9.25% 2017	\$8,000	5	-
Ally Financial 8% 2031	\$105,000	80	0.1	Cardinal Health FRN 2015	\$18,922	12	-
Alpha Natural Resources 6% 2019	\$30,000	17	-	Carriage Services 7.875% 2015	\$50,000	32	0.1
Alta Mesa Finance Services 9.625% 2018	\$25,000	16	-	Cascades 7.875% 2020	\$25,000	16	-
Alternative Loan Trust 6% 2017	\$63,970	41	0.1	CB Richard Ellis Services 6.625% 2020	\$50,000	34	0.1
Alternative Loan Trust 6% 2022	\$74,471	46	0.1	CCO Holdings 7.875% 2018	\$250,000	174	0.3
Alternative Loan Trust 5.25% 2035	\$80,000	45	0.1	CCO Holdings 7% 2019	\$20,000	14	-
Alternative Loan Trust 5.5% 2036	\$130,020	63	0.1	CCO Holdings 8.125% 2020	\$15,000	11	-
AMC Entertainments 9.75% 2020	\$100,000	69	0.1	CCO Holdings 6.625% 2022	\$109,000	76	0.1
American Achievement 10.875% 2016	\$13,000	7	-	CDW Financial 8.5% 2019	\$143,000	96	0.2
American Axle & Manufacturing 7.75% 2019	\$100,000	68	0.1	Cemex 9% 2018	\$100,000	58	0.1
American Casino & Entertainment 11% 2014	\$17,000	11	-	Cemex Finance 9.5% 2016	\$100,000	63	0.1
American International 8.175% 2058	\$70,000	51	0.1	Central Garden & Pet 8.25% 2018	\$250,000	163	0.3
American Railcar Industries 7.5% 2014	\$5,000	3	-	CenturyLink 5.8% 2022	\$100,000	67	0.1
AmeriGas Financial 6.25% 2019	\$45,000	29	0.1	Cenveo 8.875% 2018	\$50,000	28	0.1
AmeriGas Financial 6.75% 2020	\$10,000	7	-	Cequel Communications 8.625% 2017	\$23,000	12	-
AmeriGas Financial 7% 2022	\$13,000	9	-	Ceridian 8.875% 2019	\$10,000	7	-
Ameriquest Mortgage FRN 2034	\$179,443	85	0.1	CEVA Group 8.375% 2017	\$75,000	47	0.1
Amkor Technology 7.375% 2018	\$40,000	26	-	Chase Funding Mortgage Loan 5.641% 2032	\$92,592	34	0.1
Amkor Technology 6.625% 2021	\$20,000	13	-	Chase Funding Mortgage Loan FRN 2033	\$106,512	72	0.1
Anixter 5.625% 2019	\$15,000	10	-	Chemtura 7.875% 2018	\$50,000	34	0.1
Appleton Papers 10.5% 2015	\$69,000	47	0.1	Chesapeake Energy 6.875% 2018	\$20,000	13	-
Arcelormittal 6.25% 2022	\$10,000	6	-	Chesapeake Energy 6.775% 2019	\$25,000	16	-
Arch Coal 7% 2019	\$20,000	11	-	Chesapeake Energy 6.125% 2021	\$30,000	19	-
Arch Coal 7.25% 2021	\$10,000	5	-	Chesapeake Midstream Partners 6.125% 2022	\$15,000	10	-
Ardagh Packaging Finance 7.375% 2017	\$200,000	137	0.2	Chesapeake Oilfield 6.625% 2019	\$20,000	12	-
Ardagh Packaging Finance 9.125% 2020	\$250,000	167	0.3	Chiron Merger 10.5% 2018	\$100,000	67	0.1
Argent Securities	\$88,899	46	0.1	CHL Mortgage Pass Through Trust 6.25% 2036	\$112,036	59	0.1
Argent Securities FRN 2034	\$119,975	61	0.1	CHL Mortgage Pass-Through Trust 6.5% 2037	\$132,908	71	0.1
Ashtead Capital 9% 2016	\$100,000	66	0.1	Chrysler Group 8.25% 2021	\$400,000	264	0.4
Atkore International 9.875% 2018	\$50,000	31	0.1	Cimarex Energy 5.875% 2022	\$8,000	5	-
Autonation 5.5% 2020	\$25,000	17	-	Cincinnati Bell 8.25% 2017	\$20,000	13	-
Avaya 10.125% 2015	\$50,000	25	-	Cincinnati Bell 8.75% 2018	\$10,000	6	-
Avaya 7% 2019	\$170,000	98	0.2	Cincinnati Bell 8.375% 2020	\$100,000	66	0.1
Avis Budget Car Rental 9.625% 2018	\$50,000	35	0.1	Cinemark USA 7.375% SNR 2021	\$25,000	18	-
Avis Budget Car Rental 8.25% 2019	\$100,000	68	0.1	Cinemark USA 8.625% 2019	\$25,000	18	-
Ball 5% 2022	\$125,000	84	0.1	CIT Group 7% 2016	\$175,000	112	0.2
Banc of America Alternative Loan Trust FRN 2015	\$102,560	63	0.1	CIT Group 4.25% 2017	\$42,000	27	-
Banc of America Alternative Loan Trust 5.5% 2020	\$30,807	20	-	CIT Group 5% 2017	\$20,000	13	-
Banc of America Alternative Loan Trust 6% 2021	\$46,631	29	0.1	CIT Group 7% 2017	\$61,426	39	0.1
Banc of America Alternative Loan Trust FRN 2034	\$103,579	62	0.1	CIT Group 6.625% 2018	\$40,000	28	0.1
Banc of America Alternative Loan Trust 6% 2035	\$81,466	51	0.1	CIT Group 5% 2022	\$33,000	21	-
Banc of America Funding 5.5% 2034	\$103,107	65	0.1	CIT Group 5.375% 2020	\$10,000	7	-
Banc of America Mortgage Trust 6% 2037	\$96,761	55	0.1	Citgo Petroleum 11.5% 2017	\$30,000	22	-
Bank of America 6.5% 2016	\$30,000	22	-	Citigroup Funding Brazil Linked 0% 2017	\$590,000	342	0.5
Bank of America 7.8% 2016	\$25,000	18	-	Citigroup Mortgage Loan Trust 5.5% 2035	\$279,506	174	0.3
Bank of America 5.5% 2020	\$20,281	13	-	Citigroup Mortgage Loan Trust 7% 2035	\$179,035	104	0.2
Bank of America 8% FRN Perpetual	\$176,000	121	0.2	Citigroup Mortgage Loan Trust FRN 2035	\$40,740	14	-
B-Corp Merger 8.25% 2019	\$25,000	16	-	Citigroup Mortgage Loan Trust FRN 2035 STEP	\$35,302	22	-
BE Aerospace 6.875% 2020	\$35,000	25	-	Citigroup Mortgage Loan Trust FRN 2036	\$132,731	67	0.1
BE Aerospace 5.25% 2022	\$50,000	33	0.1	Citigroup Mortgage Loan Trust FRN 2037	\$72,953	46	0.1
Bear Stearns ABS Trust FRN 2034	\$237,459	120	0.2	Citycenter 7.625% SNR 2016	\$90,000	60	0.1
Bear Stearns ABS Trust FRN 2035	\$106,521	62	0.1	Citycenter 10.75% 2017	\$39,896	27	-
Belden 7% 2017	\$25,000	16	-	CKE Restaurants 11.375% 2018	\$30,000	22	-
Berry Plastics 9.5% 2018	\$48,000	33	0.1	Claire's Stores 8.875% 2019	\$100,000	55	0.1
				Claire's Stores 9% 2019	\$170,000	112	0.2
				Clean Harbors 5.25% 2020	\$16,000	10	-
				Clear Channel Communications 9% 2021	\$80,000	43	0.1
				Clear Channel Worldwide 9.25% 2017	\$350,000	242	0.4

# Portfolio statement – continued

As at 31 July 2012

Investment	Holding	Market value		Investment	Holding	Market value	
		£'000	Total net assets %			£'000	Total net assets %
Clear Channel Worldwide 7.625% 2020	\$80,000	49	0.1	Ferrellgas Finance 6.5% 2021	\$45,000	27	-
Clearwire 12% 2015	\$50,000	30	0.1	FFMLT 2005-FF8 FRN Mortgage 2035	\$120,069	69	0.1
Cloud Peak Energy Resources 8.25% 2017	\$30,000	20	-	FGI 7.85% 2020	\$21,000	14	-
CNG Holdings 9.375% 2020	\$17,000	11	-	Fidelity National Financial 5% 2022	\$13,000	9	-
CNH Capital 6.25% 2016	\$25,000	17	-	Fidelity National Info Services 7.625% 2017	\$30,000	21	-
CNL Lifestyle Properties 7.25% 2019	\$20,000	12	-	Fifth & Pacific 10.5% 2019	\$33,000	24	-
CNO Financial Group 9% 2018	\$50,000	34	0.1	First Data 8.875% 2020	\$165,000	115	0.2
Commercial Barge Line 12.5% 2017	\$40,000	29	0.1	First Data 12.625% 2021	\$50,000	32	0.1
Commercial Metals 6.5% 2017	\$50,000	33	0.1	First Data 8.25% 2021	\$25,000	16	-
Commercial Metals 7.35% 2018	\$25,000	17	-	First Data 8.75% 2022	\$403,460	257	0.4
Commercial Vehicle 7.875% 2019	\$6,000	4	-	First Franklin Mortgage Loan Trust 0.809% FRN 2034	\$465,000	209	0.3
Community Choice Financial 10.75% 2019	\$19,000	12	-	First Horizon Alternative Mortgage Securities Trust 5.75% 2021	\$137,259	86	0.1
Community Health Systems 8% 2019	\$50,000	34	0.1	First Horizon Alternative Mortgage Securities Trust 5.5% 2035	\$27,944	16	-
Community Health Systems 7.125% 2020	\$26,000	17	-	First Horizon Mortgage Pass Through Trust 5.25% 2021	\$7,475	5	-
Comstock Resources 7.75% 2019	\$45,000	28	0.1	First Horizon Mortgage Pass Through Trust 5.5% 2035	\$45,001	29	0.1
Comstock Resources 9.5% 2020	\$12,000	8	-	First Industrial 6.42% 2014	\$50,000	33	0.1
Concho Resources 7% 2021	\$100,000	70	0.1	FMG Resources 6.375% 2016	\$15,000	10	-
Concho Resources 6.5% 2022	\$20,000	14	-	FMG Resources 6% 2017	\$7,000	4	-
Consol Energy 8% 2017	\$10,000	7	-	FMG Resources 6.875% 2018	\$40,000	26	-
Consol Energy 8.25% 2020	\$25,000	17	-	FMG Resources 8.25% 2019	\$120,000	81	0.1
Constar International 11% 2017	\$34,710	22	-	FMG Resources 6.875% 2022	\$23,000	15	-
Constellation Brands 7.25% 2017	\$175,000	129	0.2	Ford Motor 7.75% 2043	\$50,000	35	0.1
Constellation Brands 6% 2022	\$20,000	14	-	Ford Motor 9.98% 2047	\$125,000	111	0.2
Continental Airlines 7.875% 2020	\$49,266	32	0.1	Ford Motor Credit 6.625% 2017	\$250,000	181	0.3
Continental Airlines 9.318% 2021	\$13,233	9	-	Forest City Enterprises 6.5% 2017	\$35,000	21	-
Continental Airlines 9.558% 2021	\$12,552	8	-	Forest Oil 7.25% 2019	\$175,000	107	0.2
Continental Airlines 9.798% 2021	\$120,369	82	0.1	Freescale Semiconductor 9.25% 2018	\$270,000	184	0.3
Continental Resources 5% 2022	\$27,000	18	-	Freescale Semiconductor 10.125% 2018	\$35,000	24	-
Countrywide Capital III 8.05% Preference 2027	\$45,000	32	0.1	Freescale Semiconductor 8.05% 2020	\$17,000	10	-
Countrywide Securities 2.56375% 2032	\$86,566	43	0.1	Fremont Home Loan Trust FRN 2034	\$104,455	52	0.1
Credit Based Asset Servicing And Securities 5.303% 2035	\$150,034	86	0.1	Fresenius Medical Care 6.5% 2018	\$70,000	50	0.1
Cricket Communications 7.75% 2020	\$100,000	61	0.1	Frontier Communications 7.125% 2019	\$40,000	26	-
Crosstex Energy 7.125% 2022	\$21,000	13	-	Frontier Communications 8.5% 2020	\$5,000	3	-
CSC Holdings 7.625% 2018	\$10,000	7	-	Frontier Communications 9.25% 2021	\$17,000	12	-
CSFB Mortgage Backed 5.5% 2020	\$453,917	288	0.5	Frontier Communications 8.75% 2022	\$5,000	3	-
CSFB Mortgage Backed 5.5% Jun 2035	\$69,000	45	0.1	FTI Consulting 7.75% 2016	\$25,000	16	-
CSFB Mortgage Backed 5.5% Nov 2035	\$40,856	20	-	FTI Consulting 6.75% 2020	\$25,000	17	-
CSMC Mortgage Trust 5.5% 2037	\$58,144	30	0.1	Gannett 6.375% 2015	\$15,000	10	-
CWABS 0.987% 2033	\$34,515	18	-	Gannett 7.125% 2018	\$15,000	10	-
CWABS FRN 2034	\$183,504	101	0.2	Garda World Security 9.75% 2017	\$25,000	17	-
CWABS 5.05% 2036	\$57,134	32	0.1	Genesis Energy 7.875% 2018	\$15,000	10	-
CWALT 5.5% 2020	\$72,564	42	0.1	Genesis Energy 7.875% SNR 2018	\$16,000	11	-
CWALT 5.5% 2025	\$87,487	54	0.1	Geo Group 7.75% 2017	\$250,000	171	0.3
CWALT 5.5% 2035	\$74,051	40	0.1	Ghana 8.5% 2017	\$300,000	215	0.3
CWALT 5.75% 2035	\$86,678	54	0.1	Goodman Networks 12.125% 2018	\$15,000	10	-
CWMBS 5.25% 2027	\$240,702	136	0.2	Goodyear Tire & Rubber 8.25% 2020	\$200,000	139	0.2
DaVita 6.375% 2018	\$33,000	22	-	GS Mortgage Securities FRN 2036	\$407,872	218	0.3
DaVita 6.625% 2020	\$95,000	64	0.1	GS Mortgage Securities FRN 2045	\$45,503	25	-
Dean Foods 7% 2016	\$11,000	7	-	GSR Mortgage Loan Trust 5.5% 2021	\$119,851	73	0.1
Dean Foods 9.75% 2018	\$5,000	3	-	Gymboree 9.125% 2018	\$25,000	15	-
Del Monte 7.625% 2019	\$250,000	158	0.2	Hanesbrands 8% 2016	\$250,000	177	0.3
Deluxe 7% 2019	\$50,000	33	0.1	Harland Clarke FRN 2015	\$55,000	28	0.1
DineEquity 9.5% SNR 2018	\$15,000	11	-	Harland Clarke 9.75% 2018	\$35,000	21	-
Dish DBS 7.125% 2016	\$250,000	176	0.3	Harrahs Operating 11.25% 2017	\$370,000	254	0.4
Dish DBS 4.625% 2017	\$3,000	2	-	Harron Communications 9.125% 2020	\$10,000	7	-
Dish DBS 7.875% 2019	\$260,000	192	0.3	Hartford Financial Services Group 8.125% 2038	\$15,000	11	-
Dish DBS 6.75% SNR 2021	\$80,000	56	0.1	HCA 8% 2018	\$165,000	121	0.2
Dish DBS 5.875% 2022	\$4,000	3	-	HCA 6.5% 2020	\$75,000	53	0.1
DJO Finance 7.75% SNR 2018	\$100,000	53	0.1	HCA 7.25% 2020	\$50,000	36	0.1
DJO Finance 8.75% 2018	\$25,000	16	-	HCA 7.875% 2020	\$20,000	14	-
Dollar General Corporation 4.125% 2017	\$11,000	7	-	HCA 5.875% 2022	\$75,000	51	0.1
DR Horton 5.625% 2016	\$15,000	10	-	HCA 7.5% 2022	\$495,000	353	0.6
DR Horton 6.5% 2016	\$10,000	7	-	HD Supply 8.125% 2019	\$99,000	69	0.1
Dubai Electricity & Water 8.5% 2015	\$310,000	222	0.4	Health Management Associates 6.125% 2016	\$150,000	103	0.2
Dupont Fabros Technology 8.5% 2017	\$15,000	11	-	Health Management Associates 7.375% 2020	\$70,000	48	0.1
Eastman Kodak 9.75% 2018	\$19,000	9	-	HealthSouth 7.25% 2018	\$100,000	69	0.1
Easton-Bell Sports 9.75% 2016	\$100,000	70	0.1	Helix Energy Solutions 9.5% 2016	\$12,000	8	-
Edison Mission Energy 7% 2017	\$100,000	35	0.1	Hertz 7.5% 2018	\$8,000	6	-
Edison Mission Energy 7.2% 2019	\$50,000	17	-	Hertz 6.75% 2019	\$257,000	171	0.3
Elan Finance 8.75% 2016	\$100,000	69	0.1	Hertz 7.375% 2021	\$20,000	14	-
Endo Pharmaceutical 7% 2020	\$75,000	53	0.1	Hilcorp Energy 8% 2020	\$30,000	21	-
Energy Future International 10% 2020	\$200,000	140	0.2	Hilcorp Energy 7.625% 2021	\$15,000	10	-
Energy XXI Gulf Coast 9.25% 2017	\$6,000	4	-	Holly Energy 8.25% 2018	\$15,000	10	-
Equinix 7% 2021	\$10,000	7	-	Hologic 6.25% 2020	\$20,000	13	-
Equity One Mortgage Trust 5.05% 2033	\$76,474	44	0.1	Hub International 10.25% 2015	\$30,000	19	-
Eurasian Development Bank 7.375% 2014	\$350,000	244	0.4	Hungary 7.625% 2041	\$530,000	351	0.6
EV Energy Partner 8% 2019	\$50,000	32	0.1				
Everest Acquisition 6.875% 2019	\$70,000	48	0.1				
Everest Acquisition 9.375% 2020	\$93,000	64	0.1				
Felcor Lodging 6.75% 2019	\$60,000	40	0.1				

# Portfolio statement – continued

As at 31 July 2012

Investment	Holding	Market value		Investment	Holding	Market value		Investment	Holding	Market value	
		£'000	Total net assets %			£'000	Total net assets %			£'000	Total net assets %
Huntsman International 8.625% 2020	\$150,000	109	0.2	Masonite International 8.25% 2021	\$25,000	17	-	Masonite International 8.25% 2021	\$25,000	17	-
Iasis Healthcare 8.375% 2019	\$35,000	15	-	Master Alternative Loan Trust 5.75% 2035	\$126,945	72	0.1	Master Alternative Loan Trust 5.75% 2035	\$126,945	72	0.1
iGATE 9% SNR 2016	\$25,000	17	-	Mastr Asset Backed Securities Trust 2034	\$145,000	77	0.1	Mastr Asset Backed Securities Trust 2034	\$145,000	77	0.1
ILFC Index Linked 6.25% 2065	\$100,000	47	0.1	McClatchy 11.5% 2017	\$20,000	14	-	McClatchy 11.5% 2017	\$20,000	14	-
Impac CMB Trust FRN 2034	\$109,140	60	0.1	MCE Finance 10.25% 2018	\$30,000	22	-	MCE Finance 10.25% 2018	\$30,000	22	-
Indonesia 11.625% 2019	\$300,000	145	0.2	McJunkin Red Man 9.5% 2016	\$20,000	14	-	McJunkin Red Man 9.5% 2016	\$20,000	14	-
Inergy 6.875% 2021	\$8,000	5	-	MDC 5.625% 2020	\$15,000	10	-	MDC 5.625% 2020	\$15,000	10	-
Ingles Market 8.875% 2017	\$50,000	35	0.1	Media General 11.75% 2017	\$35,000	25	-	Media General 11.75% 2017	\$35,000	25	-
Innov Vent Finance 9.5% 2019	\$11,000	7	-	Mediacom Broadband 8.5% 2015	\$5,000	3	-	Mediacom Broadband 8.5% 2015	\$5,000	3	-
Intelsat Bermuda 11.25% 2016	\$58,000	39	0.1	Mediacom Capital 9.125% 2019	\$35,000	25	-	Mediacom Capital 9.125% 2019	\$35,000	25	-
Intelsat Bermuda 11.5% 2017	\$136,830	91	0.1	Mediacom Capital 7.25% 2022	\$5,000	3	-	Mediacom Capital 7.25% 2022	\$5,000	3	-
Intelsat Bermuda 11.5% Step Up 2017	\$137,500	91	0.1	MEG Energy 6.375% 2023	\$18,000	12	-	MEG Energy 6.375% 2023	\$18,000	12	-
Intelsat Bermuda FRN 2017	\$25,000	17	-	Meritage Homes 7% 2022	\$10,000	7	-	Meritage Homes 7% 2022	\$10,000	7	-
Intelsat Jackson 7.25% 2019	\$175,000	119	0.2	Merrill Lynch 5.7% 2017	\$100,000	67	0.1	Merrill Lynch 5.7% 2017	\$100,000	67	0.1
Intelsat Jackson 8.5% 2019	\$50,000	35	0.1	MetroPCS Wireless 7.875% 2018	\$140,000	94	0.2	MetroPCS Wireless 7.875% 2018	\$140,000	94	0.2
Intelsat Jackson 7.25% 2020	\$200,000	136	0.2	Mexico 5.75% 2110	\$310,000	246	0.4	Mexico 5.75% 2110	\$310,000	246	0.4
Intelsat Jackson 7.5% 2021	\$50,000	34	0.1	MGM Resorts 10% 2016	\$75,000	53	0.1	MGM Resorts 10% 2016	\$75,000	53	0.1
Interactive Data 10.25% 2018	\$65,000	47	0.1	MGM Resorts 7.625% 2017	\$191,000	125	0.2	MGM Resorts 7.625% 2017	\$191,000	125	0.2
International Lease Finance 8.625% 2015	\$250,000	180	0.3	MGM Resorts 7.75% 2022	\$27,000	17	-	MGM Resorts 7.75% 2022	\$27,000	17	-
International Lease Finance 6.25% 2019	\$25,000	17	-	Michaels Stores 7.75% 2018	\$250,000	171	0.3	Michaels Stores 7.75% 2018	\$250,000	171	0.3
International Lease Finance 8.25% 2020	\$110,000	82	0.1	Micron Technology 1.875% 2027	\$28,000	16	-	Micron Technology 1.875% 2027	\$28,000	16	-
International Lease Finance 8.625% 2022	\$75,000	57	0.1	Mobile Mini 7.875% 2020	\$25,000	17	-	Mobile Mini 7.875% 2020	\$25,000	17	-
International Wire Group 9.75% 2015	\$50,000	33	0.1	Morgan Stanley ABS Capital FRN Mar 2034	\$345,402	165	0.2	Morgan Stanley ABS Capital FRN Mar 2034	\$345,402	165	0.2
Inventiv Health 10% 2018	\$20,000	11	-	Morgan Stanley ABS Capital FRN Aug 2034	\$64,355	31	0.1	Morgan Stanley ABS Capital FRN Aug 2034	\$64,355	31	0.1
Iraq 5.8% 2028	\$800,000	445	0.7	Morgan Stanley ABS Capital FRN Dec 2034	\$82,456	41	0.1	Morgan Stanley ABS Capital FRN Dec 2034	\$82,456	41	0.1
Iron Mountain 8.75% 2014	\$250,000	165	0.3	Morgan Stanley ABS Capital FRN 2035	\$37,140	18	-	Morgan Stanley ABS Capital FRN 2035	\$37,140	18	-
Iron Mountain 7.75% 2019	\$50,000	35	0.1	Morgan Stanley Capital FRN Mortgage 2034	\$195,000	107	0.2	Morgan Stanley Capital FRN Mortgage 2034	\$195,000	107	0.2
Isle of Capri Casinos 7% 2014	\$25,000	16	-	Morgan Stanley Mortgage Loan Trust FRN 2034	\$103,161	64	0.1	Morgan Stanley Mortgage Loan Trust FRN 2034	\$103,161	64	0.1
Isle of Capri Casinos 7.75% 2019	\$17,000	11	-	Multiplan 9.875% 2018	\$70,000	49	0.1	Multiplan 9.875% 2018	\$70,000	49	0.1
IStar Financial 9% 2017	\$20,000	13	-	Murray Energy 10.25% 2015	\$15,000	9	-	Murray Energy 10.25% 2015	\$15,000	9	-
J Crew Group 8.125% 2019	\$112,000	73	0.1	Mylan 7.625% 2017	\$22,000	16	-	Mylan 7.625% 2017	\$22,000	16	-
Jabil Circuit 4.7% 2022	\$7,000	4	-	Mylan 7.875% 2020	\$272,000	196	0.3	Mylan 7.875% 2020	\$272,000	196	0.3
Jarden 7.5% 2017	\$250,000	180	0.3	NAI Entertainment 8.25% 2017	\$5,000	3	-	NAI Entertainment 8.25% 2017	\$5,000	3	-
JBS 11.625% 2014	\$17,000	12	-	Nationstar 9.625% 2019	\$11,000	7	-	Nationstar 9.625% 2019	\$11,000	7	-
JBS 8.25% 2020	\$14,000	9	-	Navios Maritime 8.875% 2017	\$22,000	14	-	Navios Maritime 8.875% 2017	\$22,000	14	-
JC Penney 5.75% 2018	\$100,000	56	0.1	Navios Maritime 8.875% 2017 144A	\$10,000	6	-	Navios Maritime 8.875% 2017 144A	\$10,000	6	-
JM Huber 9.875% 2019	\$15,000	11	-	Navios South American Logistics 9.25% 2019	\$12,000	7	-	Navios South American Logistics 9.25% 2019	\$12,000	7	-
JMC Steel Group 8.25% 2018	\$80,000	51	0.1	New Century Home Equity Loan Trust FRN 2033	\$106,620	49	0.1	New Century Home Equity Loan Trust FRN 2033	\$106,620	49	0.1
JPMorgan Mortgage Trust 5.5% 2035	\$46,417	30	0.1	New Century Home Equity Loan Trust FRN 2034	\$58,360	31	0.1	New Century Home Equity Loan Trust FRN 2034	\$58,360	31	0.1
Kaiser Aluminum 8.25% 2020	\$56,000	37	0.1	New Century Home Equity Loan Trust 1.0403% 2035	\$154,943	69	0.1	New Century Home Equity Loan Trust 1.0403% 2035	\$154,943	69	0.1
Kansas City Southern de Mexico 6.625% 2020	\$45,000	32	0.1	New Century Home Equity Loan Trust FRN 2035	\$63,917	33	0.1	New Century Home Equity Loan Trust FRN 2035	\$63,917	33	0.1
Kansas City Southern de Mexico 6.125% 2021	\$10,000	7	-	New Enterprise Stone & Lime 13% 2018	\$25,000	16	-	New Enterprise Stone & Lime 13% 2018	\$25,000	16	-
KazMunaiGaz Finance 11.75% 2015	\$390,000	300	0.5	New Gold 7% 2020	\$6,000	4	-	New Gold 7% 2020	\$6,000	4	-
KB Home 5.875% 2015	\$10,000	6	-	Newfield Exploration 6.875% 2020	\$30,000	21	-	Newfield Exploration 6.875% 2020	\$30,000	21	-
KB Home 6.25% 2015	\$18,000	12	-	Newfield Exploration 5.75% 2022	\$25,000	17	-	Newfield Exploration 5.75% 2022	\$25,000	17	-
KB Home 7.5% 2022	\$10,000	6	-	Newfield Exploration 5.625% 2024	\$12,000	8	-	Newfield Exploration 5.625% 2024	\$12,000	8	-
Kemet 10.5% 2018	\$18,000	12	-	NewPage 11.375% 2014	\$150,000	64	0.1	NewPage 11.375% 2014	\$150,000	64	0.1
Kennedy Wilson 8.75% 2019	\$15,000	10	-	Nexstar Broadcasting 8.875% 2017	\$127,000	86	0.1	Nexstar Broadcasting 8.875% 2017	\$127,000	86	0.1
Key Energy Services 6.75% 2021	\$60,000	38	0.1	Nextel Communications 7.375% 2015	\$78,000	50	0.1	Nextel Communications 7.375% 2015	\$78,000	50	0.1
Kodiak Oil & Gas 8.125% 2019	\$100,000	68	0.1	NFR Energy Finance 9.275% 2017	\$25,000	13	-	NFR Energy Finance 9.275% 2017	\$25,000	13	-
Lafarge 7.125% 2036	\$25,000	16	-	NFR Energy Finance 9.75% 2017	\$15,000	8	-	NFR Energy Finance 9.75% 2017	\$15,000	8	-
Laredo Petroleum 7.375% 2022	\$18,000	12	-	NGC Corporation 7.125% 2018	\$100,000	40	0.1	NGC Corporation 7.125% 2018	\$100,000	40	0.1
Lawson Software 9.375% 2019	\$12,000	8	-	NGPL Pipeco 9.625% 2019	\$9,000	6	-	NGPL Pipeco 9.625% 2019	\$9,000	6	-
Lehman Mortgage Trust FRN Nov 2035	\$315,768	144	0.2	NII Capital 8.875% 2019	\$55,000	28	0.1	NII Capital 8.875% 2019	\$55,000	28	0.1
Lehman Mortgage Trust FRN Dec 2035	\$301,648	141	0.2	NII Capital 7.625% 2021	\$5,000	2	-	NII Capital 7.625% 2021	\$5,000	2	-
Lennar 5.6% 2015	\$10,000	7	-	Nokia 5.375% 2019	\$11,000	5	-	Nokia 5.375% 2019	\$11,000	5	-
Lennar 4.75% 2017	\$8,000	5	-	Nomura Asset Acceptance 5.159% 2035	\$64,837	40	0.1	Nomura Asset Acceptance 5.159% 2035	\$64,837	40	0.1
Lennar 12.25% 2017	\$5,000	4	-	Noranda Alum Acquisition 5.373% FRN 2015	\$111,939	68	0.1	Noranda Alum Acquisition 5.373% FRN 2015	\$111,939	68	0.1
Lennar 6.95% 2018	\$20,000	14	-	Nortek 8.5% 2021	\$18,000	12	-	Nortek 8.5% 2021	\$18,000	12	-
Level 3 Communication 8.875% 2019	\$14,000	9	-	Novelis 8.375% 2017	\$25,000	17	-	Novelis 8.375% 2017	\$25,000	17	-
Level 3 Financing 8.75% 2017	\$50,000	33	0.1	Novelis 8.75% 2020	\$40,000	28	0.1	Novelis 8.75% 2020	\$40,000	28	0.1
Level 3 Financing 10% 2018	\$30,000	21	-	NRG Energy 7.625% 2019	\$20,000	13	-	NRG Energy 7.625% 2019	\$20,000	13	-
Level 3 Financing 8.125% 2019	\$14,000	9	-	NRG Energy 7.875% 2021	\$20,000	14	-	NRG Energy 7.875% 2021	\$20,000	14	-
Level 3 Financing 9.375% SNR 2019	\$250,000	175	0.3	Number Merger 11% 2019	\$20,000	14	-	Number Merger 11% 2019	\$20,000	14	-
Level 3 Financing 8.625% 2020	\$19,000	13	-	Number Merger 11% 2019 144A	\$20,000	14	-	Number Merger 11% 2019 144A	\$20,000	14	-
Libbey Glass 6.875 %2020	\$62,000	42	0.1	Nuveen Investments 10.5% 2015	\$10,000	6	-	Nuveen Investments 10.5% 2015	\$10,000	6	-
Liberty Mutual Group FRN 2058	\$81,000	72	0.1	Oil States International 6.5% 2019	\$30,000	20	-	Oil States International 6.5% 2019	\$30,000	20	-
Liberty Mutual Group 7.8% 2087	\$69,000	46	0.1	Omnicare 7.75% 2020	\$5,000	4	-	Omnicare 7.75% 2020	\$5,000	4	-
Liberty Tire Recycling 11% 2016	\$20,000	12	-	Omnova Solutions 7.875% 2018	\$50,000	32	0.1	Omnova Solutions 7.875% 2018	\$50,000	32	0.1
Linn Energy 6.25% 2019	\$50,000	31	0.1	Option One Mortgage Loan Trust FRN 2034	\$497,723	268	0.4	Option One Mortgage Loan Trust FRN 2034	\$497,723	268	0.4
Linn Energy 8.625% 2020	\$100,000	69	0.1	Paetec 8.875% 2017	\$270,000	186	0.3	Paetec 8.875% 2017	\$270,000	186	0.3
Long Beach Mortgage Loan Trust 0.787% 2034	\$62,348	33	0.1	Pantry 8.375% 2020	\$20,000	13	-	Pantry 8.375% 2020	\$20,000	13	-
Long Beach Mortgage Loan Trust 0.7153% 2035	\$98,727	60	0.1	PBF 8.25% 2020	\$29,000	19	-	PBF 8.25% 2020	\$29,000	19	-
Louisiana Pacific 7.5% 2020	\$13,000	9	-	PC Merger 8.875% 2020	\$19,000	12	-	PC Merger 8.875% 2020	\$19,000	12	-
Manitowoc 8.5% 2020	\$55,000	38	0.1	Peabody Energy 6% 2018	\$5,000	3	-	Peabody Energy 6% 2018	\$5,000	3	-
Marina District Finance 9.875% 2018	\$250,000	149	0.2	Peabody Energy 6.25% 2021	\$120,000	75	0.1	Peabody Energy 6.25% 2021	\$120,000	75	0.1
Markwest Energy Partners 6.75% 2020	\$15,000	10	-	Peninsula Gaming 10.75% 2017	\$30,000	22	-	Peninsula Gaming 10.75% 2017	\$30,000	22	-
Markwest Energy Partners 6.25% 2022	\$20,000	13	-								
Masco 7.125% 2020	\$2,000	1	-								
Masco 5.95% 2022	\$7,000	5	-								

# Portfolio statement – continued

As at 31 July 2012

Investment	Market value		Total net assets %	Investment	Market value		Total net assets %
	Holding	£'000			Holding	£'000	
Penn Virginia Resources 8.375% 2020	\$15,000	10	-	Sealy Mattress 8.25% 2014	\$250,000	158	0.2
Peoples Choice Home Loan Securities Trust 2004-2 M3 Variable 2034	\$779,783	318	0.5	Sears 6.625% 2018	\$15,000	9	-
Petrohawk Energy 7.875% 2015	\$250,000	166	0.3	Seneca Gaming 8.25% 2018	\$30,000	20	-
Petrohawk Energy 6.25% 2019	\$25,000	18	-	Serbia 7.25% 2021	\$500,000	323	0.5
PHI 8.625% 2018	\$35,000	23	-	Service Corporation International 6.75% 2015	\$25,000	17	-
Philippines 10.625% 2025	\$260,000	285	0.5	Service Corporation International 7% 2017	\$250,000	180	0.3
Pilgrims Pride 7.875% 2018	\$15,000	9	-	Service Corporation International 7% 2019	\$25,000	17	-
Pinnacle Entertainment 8.75% 2020	\$18,000	12	-	Servicemaster 10.75% 2015	\$99,130	65	0.1
Pioneer Drilling 9.875% 2018	\$10,000	7	-	Shingle Springs Tribal 9.375% 2015	\$25,000	12	-
Pioneer Natural Resources 6.875% 2018	\$25,000	19	-	Simmons 11.25% 2015	\$250,000	164	0.3
Polyone 7.375% 2020	\$58,000	40	0.1	Simmons Food 10.5% 2017	\$20,000	12	-
Post 7.375% 2022	\$13,000	9	-	Sitel 11% 2017	\$17,000	11	-
Precision Drilling 6.625% 2020	\$15,000	10	-	Sitel 11.5% 2018	\$50,000	24	-
Precision Drilling 6.5% 2021	\$10,000	7	-	SM Energy 6.625% 2019	\$60,000	40	0.1
Prestige Brands 8.125% 2020	\$4,000	3	-	SM Energy 6.5% 2023	\$15,000	10	-
Production Resource 8.875% 2019	\$12,000	6	-	Smithfield Foods 7.75% 2017	\$16,000	11	-
Puget Sound Energy 5.625% 2022	\$17,000	11	-	Smithfield Foods 6.625% 2022	\$10,000	7	-
Pulte Group 7.875% 2017	\$10,000	7	-	Spectrum Brands 9.5% 2018	\$250,000	180	0.3
QEP Resources 6.875% 2021	\$15,000	11	-	Spectrum Brands 6.75% 2020	\$20,000	13	-
QEP Resources 5.375% 2022	\$20,000	13	-	Speedway Motor Sports 6.75% 2019	\$17,000	11	-
Quapaw Downstream Development 10.5% 2019	\$20,000	13	-	SPL Logistics Escrow 8.875% 2020	\$7,000	5	-
Quebecor Media 7.75% 2016	\$250,000	164	0.3	Sprint Capital 6.9% 2019	\$11,000	7	-
QVC 7.375% 2020	\$100,000	71	0.1	Sprint Capital 8.75% 2032	\$379,000	237	0.4
Qwest Communications International 8% 2015	\$75,000	50	0.1	Sprint Nextel 6% 2016	\$52,000	33	0.1
Qwest Communications International 7.125% 2018	\$25,000	17	-	Sprint Nextel 8.375% 2017	\$60,000	42	0.1
R.R. Donnelley & Sons 7.25% 2018	\$30,000	19	-	Sprint Nextel 9.125% 2017	\$48,000	34	0.1
R.R. Donnelley & Sons 8.25% 2019	\$10,000	6	-	Sprint Nextel 9% 2018	\$313,000	230	0.4
R.R. Donnelley & Sons 7.625% 2020	\$9,000	6	-	Sprint Nextel 11.5% 2021	\$7,000	5	-
Radiation Therapy Services 8.875% 2017	\$90,000	54	0.1	SquareTwo Financial 11.625% 2017	\$15,000	8	-
Rain CII Carbon 8% 2018	\$10,000	7	-	Standard Chartered 8.25% 2032	\$460,000	293	0.5
Rali Series 2004-QS A-2 Variable 2034	\$158,804	81	0.1	Standard Pacific 10.75% 2016	\$10,000	8	-
Ramp Series Trust 0.95% 2034	\$76,957	46	0.1	Standard Pacific 8.375% 2018	\$20,000	14	-
Range Resources 7.25% 2018	\$30,000	20	-	Standard Pacific 8.375% 2021	\$25,000	18	-
Range Resources 5.75% 2021	\$15,000	10	-	Steel Dynamics 7.625% 2020	\$50,000	34	0.1
Range Resources 5% 2022	\$14,000	9	-	Stream Global 11.25% 2014	\$25,000	16	-
RASC Series Trust FRN 2036	\$81,224	45	0.1	Sugarhouse HSP Gaming 8.625% 2016	\$15,000	10	-
RBS Global & Rexnord 8.5% 2018	\$250,000	175	0.3	Sungard Data Systems 10.25% 2015	\$250,000	163	0.3
Real Mex Restaurants 14% 2013	\$19,231	6	-	Sungard Data Systems 7.375% 2018	\$100,000	68	0.1
Realogy 7.625% 2020	\$115,000	79	0.1	Sungard Data Systems 7.625% 2020	\$27,000	18	-
Regal Cinemas 8.625% 2019	\$25,000	18	-	SUPERVALU 8% 2016	\$291,000	156	0.2
Regal Entertainment Group 9.125% 2018	\$25,000	18	-	Swift Energy 7.875% 2020	\$16,000	10	-
Regency Energy Partners 6.5% 2021	\$30,000	20	-	Swift Energy 8.875% 2020	\$50,000	34	0.1
Renaissance Home Equity Loan Trust 5.565% 2036	\$119,774	63	0.1	Targa Resources 8.25% 2016	\$15,000	10	-
Residential Accredit Loans 5% 2035	\$49,352	29	-	Targa Resources 6.875% 2021	\$45,000	30	0.1
Residential Accredit Loans 6% 2036	\$274,745	118	0.2	Targa Resources 6.375% 2022	\$50,000	33	0.1
Residential Asset Mortgage 6.03% 2032	\$131,307	82	0.1	Targa Resources 6.375% SNR 2022	\$6,000	4	-
Residential Asset Securitization Trust 5% 2019	\$86,722	56	0.1	Tenetsat 6% 2017	\$25,000	16	-
Residential Asset Securitization Trust 6% 2035	\$282,682	154	0.2	Tenet Healthcare 9.25% 2015	\$200,000	142	0.2
Reynolds Group 8.5% 2018	\$250,000	158	0.2	Tenet Healthcare 6.25% 2018	\$15,000	10	-
Reynolds Group 7.125% 2019	\$100,000	67	0.1	Tenet Healthcare 8.875% 2019	\$50,000	36	0.1
Reynolds Group 9.875% 2019	\$100,000	67	0.1	Tenet Healthcare 8% 2020	\$15,000	10	-
RFMSI Series Trust 5.5% 2021	\$35,319	23	-	Terex 8% 2017	\$100,000	67	0.1
RGHL 7.875% 2019	\$100,000	70	0.1	Texas Competitive Electric 10.25% FRN 2015	\$25,000	5	-
Rite Aid 9.75% 2016	\$100,000	70	0.1	Texas Competitive Electric 11.5% 2020	\$10,000	5	-
Rite Aid 7.5% 2017	\$40,000	26	-	Thermadyne 9% 2017	\$25,000	16	-
Rite Aid 9.5% 2017	\$96,000	62	0.1	Thompson Creek Metals 7.375% 2018	\$20,000	10	-
Rite Aid 10.25% 2019	\$75,000	54	0.1	Toll Brothers Finance 6.75% 2019	\$5,000	4	-
Rite Aid 9.25% 2020	\$25,000	16	-	Tomkins 9% 2018	\$14,000	10	-
Rivers Pit Bor 9.5% 2019	\$10,000	7	-	Tops Markets 10.125% 2015	\$60,000	41	0.1
RM OPCO 5% 2016	\$22,379	14	-	Toys R Us 7.375% 2016	\$30,000	19	-
RM OPCO 7% 2016	\$35,934	23	-	Transdigm 7.75% 2018	\$100,000	71	0.1
ROC Finance 12.125% 2018	\$30,000	22	-	TransUnion 9.625% 2018	\$24,000	17	-
Romania 6.75% 2022	\$460,000	309	0.5	Trimas 9.75% 2017	\$40,000	28	0.1
Roofing Supply Group 10% 2020	\$15,000	10	-	Trinidad Drilling 7.875% 2019	\$100,000	68	0.1
RSC Equipment Rental 8.25% 2021	\$250,000	171	0.3	Tutor Perini 7.625% 2018	\$50,000	33	0.1
RSHB Capital 9% 2014	\$230,000	163	0.3	UCI International 8.625% 2019	\$46,000	30	0.1
Ruby Tuesday 7.625% 2020	\$19,000	10	-	Ultrapetrol 9% 2014	\$18,000	10	-
Ryerson 12% 2015	\$25,000	16	-	Unit 6.625% 2021	\$20,000	13	-
Sabre 8.5% 2019	\$10,000	7	-	United Rentals 8.375% 2020	\$50,000	34	0.1
Sally 6.875% 2019	\$50,000	35	0.1	United States Steel 7% 2018	\$50,000	32	0.1
Sally 5.75% 2022	\$21,000	14	-	United States Steel 7.5% 2022	\$5,000	3	-
Samson Investment 9.75% 2020	\$45,000	30	0.1	Unitymedia 8.125% 2017	\$50,000	35	0.1
Saxon Asset Securities Trust FRN 2033	\$131,193	62	0.1	Univision Communications 6.875% 2019	\$65,000	43	0.1
Saxon Asset Securities Trust FRN 2034	\$168,350	80	0.1	Univision Communications 7.875% 2020	\$40,000	28	0.1
SBA Telecommunications 5.75% 2020	\$3,000	2	-	Univision Communications 8.5% 2021	\$30,000	19	-
Scotts Miracle-Gro 7.25% 2018	\$100,000	69	0.1	UPCB Finance III 6.625% 2020	\$150,000	99	0.2
Seagate HDD 6.875% 2020	\$15,000	10	-	UR Financing Escrow 5.75% 2018	\$8,000	5	-
Seagate Technology 7.75% 2018	\$45,000	21	-	UR Financing Escrow 7.375% 2020	\$12,000	8	-
				UR Financing Escro 7.625% 2022	\$121,000	81	0.1
				US Oncology Action Escrow 9.125% 2017	\$250,000	2	-
				US Treasury 2.875% 2013	\$50,000	32	0.1
				USPI Finance 9% 2020	\$60,000	42	0.1

# Portfolio statement – continued

As at 31 July 2012

Investment	Holding	Market value £'000	Total net assets %	Portfolio credit ratings	Market value £'000		
Vail Resorts 6.5% 2019	\$280,000	192	0.3	Pennsylvania REIT	3,700	34	0.1
Valassis Communications 6.625% 2021	\$40,000	25	-	Pfizer	25,963	392	0.6
Valeant Pharmaceuticals 6.5% 2016	\$30,000	20	-	PG&E	6,423	190	0.3
Valeant Pharmaceuticals 6.875% 2018	\$100,000	67	0.1	PPL Preference	5,200	181	0.3
Valeant Pharmaceuticals 7% 2020	\$200,000	132	0.2	Prologis	2,200	45	0.1
Vanguard Health 8% 2018	\$25,000	17	-	Prologis 6.5% Preference	4,700	77	0.1
Vanguard Health 7.75% 2019	\$10,000	7	-	Realty Income	2,100	55	0.1
Vanguard Natural Resources 7.875% 2020	\$10,000	6	-	Regency Centers Preference	4,950	80	0.1
Venezuela 12.75% 2022	\$30,000	19	-	Senior Housing Properties Trust	2,300	34	0.1
Venezuela 9% 2023	\$285,000	145	0.2	Simon Property Group	194	20	-
Venezuela 11.95% 2031	\$840,000	361	0.6	Sysco	9,526	178	0.3
Viasystems 7.875% 2019	\$20,000	12	-	Taubman Centres 'G' 8% Preference	3,550	58	0.1
Videotron 5% 2022	\$5,000	3	-	Time Warner	20,571	506	0.8
Virgin Media Finance 8.375% 2019	\$50,000	36	0.1	UnitedHealth Group	4,932	167	0.2
Visant 10% 2017	\$24,000	15	-	US Concrete	3,325	12	-
Visteon 6.75% 2019	\$75,000	47	0.1	Ventas	2,367	102	0.1
Vulcan Materials 7.5% 2021	\$75,000	53	0.1	Verizon Communications	13,645	391	0.6
W & T Offshore 8.5% 2019	\$65,000	43	0.1	Vornado Realty Trust	200	11	-
Wachovia Capital Trust I 5.8% 2042	\$80,000	50	0.1	Vornado Realty Trust 'G' Preference	5,100	83	0.1
Washington Mutual Alternative 5.5% 2035	\$115,268	65	0.1	Weingarten Realty	2,060	35	0.1
Washington Mutual Mortgage 5.5% 2035	\$190,723	117	0.2	Wells Fargo	14,712	318	0.5
Washington Mutual Mortgage FRN 2035	\$153,037	96	0.2	<b>United Kingdom – 4.3%</b>			
Wells Fargo Home Equity 1.3953% 2034	\$117,779	37	0.1	AstraZeneca	8,377	251	0.4
Wells Fargo Home Equity FRN 2034	\$177,374	90	0.1	British American Tobacco	12,053	412	0.6
Wells Fargo Mortgage Backed Securities Trust 5.25% 2036	\$193,892	126	0.2	British Land	28,753	154	0.2
Wells Fargo Mortgage Backed Securities Trust 5.75% 2036	\$78,734	50	0.1	Centrica	88,558	285	0.5
Wells Fargo Mortgage Backed Securities Trust 6% 2037	\$101,751	63	0.1	GlaxoSmithKline	20,053	293	0.4
Western Refining 11.25% 2017	\$50,000	36	0.1	HSBC	43,553	233	0.4
Windstream 7.75% 2020	\$50,000	34	0.1	Land Securities	3,334	26	-
Windstream 7.75% 2021	\$60,000	41	0.1	Pearson	15,354	183	0.3
WMG Acquisition 9.5% 2016	\$4,000	3	-	Royal Dutch Shell 'A'	17,858	391	0.6
WMG Acquisition 9.5% SNR 2016	\$25,000	17	-	SABMiller	5,358	148	0.2
WMG Acquisition 11.5% 2018	\$10,000	7	-	Segro	18,658	44	0.1
WPX Energy 5.25% 2017	\$20,000	13	-	Vodafone Group	191,150	352	0.6
WPX Energy 6% 2022	\$120,000	78	0.1	<b>Japan – 3.3%</b>			
XM Satellite Radio 7.625% 2018	\$50,000	35	0.1	Advance Residence REIT	44	55	0.1
Yankee Finance 9.75% 2017	\$100,000	66	0.1	BLife Investment	5	22	-
				Canon	11,800	254	0.4
<b>Equities – 38.2% (44.3%)</b>				Daito Trust Construction	4,500	277	0.4
<b>United States of America – 11.1%</b>				Japan Real Estate Investment	16	96	0.2
American Campus Communities	2,000	60	0.1	Japan Retail Fund Investment REIT	106	113	0.2
American Tower	871	40	0.1	Japan Tobacco	16,200	325	0.5
Apple	707	268	0.4	Kenedix Realty Investment	41	84	0.1
Associated Estates Realty	7,900	76	0.1	Mitsui Fudosan	6,000	75	0.1
Bank of America 7.25% Preference	228	146	0.2	Nippon Telegraph & Telephone	7,900	233	0.4
Boston Properties	200	14	-	Nomura Real Estate Residential Fund REIT	22	75	0.1
Chevron	3,103	217	0.3	ORIX JREIT	25	72	0.1
Citigroup Capital 7.875% Preference	6,000	104	0.1	Premier Investment REIT	22	49	0.1
CME Group 'A'	7,325	244	0.4	Sumitomo	35,900	323	0.5
Cobank 11.5% Preference 'D' #	700	25	-	Tokyu REIT	25	77	0.1
Cobank Preference	1,700	55	0.1	<b>France – 2.4%</b>			
ConocoPhillips	4,838	169	0.3	Compagnie de Saint-Gobain	9,346	180	0.3
Constar International Preference #	45	2	-	GDF Suez	11,444	164	0.3
Constar International #	450	-	-	ICADE	364	18	-
DCT Industrial Trust	12,600	50	0.1	Sanofi	4,177	218	0.3
Digital Realty Trust	800	40	0.1	Schneider Electric	10,410	381	0.6
Du Pont de Nemours	7,175	227	0.3	Sodexo	4,057	197	0.3
Eastgroup Properties	1,500	51	0.1	TOTAL S.A.	9,041	269	0.4
Emerson Electric	8,132	248	0.4	Unibail-Rodamco	1,254	154	0.2
General Motors 4.75% 'B' Junior Preference	3,675	77	0.1	<b>Australia – 2.2%</b>			
GMAC Capital Trust Preference 2040	1,000	16	-	Amcor	31,924	161	0.2
Health Care Property Investors	5,839	175	0.3	Australia & New Zealand Bank Group	22,653	358	0.6
Health Care REIT	1,570	62	0.1	CFS Retail Property Trust	18,393	24	-
Kinder Morgan Delaware	7,565	173	0.3	Commonwealth Property Office Fund	152,415	109	0.2
Liberty Property Trust	2,970	69	0.1	Dexus Property Group	282,732	187	0.3
Macerich	1,400	52	0.1	Stockland Trust Group	43,160	96	0.2
Mack Cali Realty	4,200	72	0.1	Transurban Group	58,846	240	0.4
General Maritime	16	-	-	Westfield Group	24,187	160	0.2
General Maritime Warrants 2017 (US\$1.00)	26	-	-	Westfield Retail Trust Units	58,743	120	0.1
Masco	21,429	179	0.3	<b>Germany – 2.0%</b>			
Mattel	8,002	181	0.3	Allianz	3,840	246	0.4
Merck & Co	15,389	437	0.6	BASF	6,188	293	0.5
Microsoft	14,851	281	0.5	BMW	5,671	271	0.4
National Retail Properties	2,200	41	0.1	Deutsche Boerse	7,862	252	0.4
Neebo Warrants 2019 (USD 1.00) #	422	-	-	E.ON	16,282	222	0.3
Nextera Energy Preference	4,650	164	0.2	<b>Switzerland – 1.4%</b>			
Omega Healthcare Investors	2,200	34	-	Nestle	6,232	243	0.4
Paychex	8,296	174	0.3	Roche (Genusscheine)	3,299	373	0.6
				Swiss Re	6,885	276	0.4

# Portfolio statement – continued

As at 31 July 2012

Investment	Holding	Market value		Total net assets %	Investment	Holding	Market value		Total net assets %
		£'000					£'000		
<b>China – 1.1%</b>					<b>Finland – 0.3%</b>				
Bank of China 'H'	217,000	53		0.1	UPM-Kymmene	32,045	222		0.3
China Construction Bank 'H'	713,000	307		0.5	<b>Canada – 0.3%</b>				
China Mobile	10,500	79		0.1	Allied Properties REIT	2,900	55		0.1
Industrial & Commercial Bank of China 'H'	152,000	55		0.1	First Capital Realty	4,764	56		0.1
Jiangsu Expressway 'H'	110,000	65		0.1	Riocan Real Estate Trust	6,015	110		0.1
Petrochina 'H'	86,000	69		0.1	<b>South Korea – 0.3%</b>				
Zhejiang Expressway 'H'	136,000	63		0.1	Kangwon Land	2,520	33		-
<b>Taiwan – 1.0%</b>					KT ADR	9,326	75		0.1
Asustek Computer	10,000	59		0.1	KT&G	840	39		0.1
Novatek Microelectronics	113,000	210		0.3	SK Telecom ADR	4,195	36		-
President Chain Store	19,000	63		0.1	S-Oil	675	37		0.1
Quanta Computer	44,000	73		0.1	<b>Indonesia – 0.3%</b>				
Taiwan Mobile	32,000	67		0.1	Perusahaan Gas Negara	664,000	168		0.2
Taiwan Semiconductor Manufacturing ADS	18,025	155		0.2	Telekomunikasi Indonesia 'B'	63,000	39		0.1
Tripod Technology	26,000	38		0.1	<b>Poland – 0.3%</b>				
<b>South Africa – 1.0%</b>					KGHM Polska Miedz	2,015	49		0.1
African Bank Investments	35,471	102		0.2	Powszechny Zaklad Ubezpieczen	1,010	68		0.1
Exxaro Resources	2,435	32		0.1	Telekomunikacja Polska	18,195	55		0.1
Foschini	440	24		-	<b>Mexico – 0.2%</b>				
Growthpoint Properties	31,730	64		0.1	Grupo Aeroportuario del Sureste ADS 'B'	1,555	90		0.1
Kumba Iron	2,015	83		0.1	Kimberly-Clark de Mexico 'A'	45,270	59		0.1
MTN Group	19,954	234		0.4	<b>Turkey – 0.2%</b>				
Old Mutual	14,563	23		-	Arcelik	26,490	85		0.1
Redefine Properties	69,256	23		-	Turkiye Petrol Rafinerileri	3,775	54		0.1
Tiger Brands	2,600	54		0.1	<b>Philippines – 0.2%</b>				
<b>Netherlands – 0.9%</b>					Philippine Long Distance Telephone ADR	2,775	116		0.2
Ahold	28,226	219		0.3	<b>Malaysia – 0.2%</b>				
Corio	1,710	49		0.1	Berjaya Sports Toto Berhad	60,400	53		0.1
Eurocommercial Properties	1,538	34		0.1	Malayan Cement Berhad	37,400	60		0.1
Unilever	10,009	221		0.3	<b>Kazakhstan – 0.1%</b>				
VastNed Retail	1,518	37		0.1	KazMunaiGas Exploration Production GDR	5,535	63		0.1
Wereldhave	685	23		-	<b>India – 0.1%</b>				
<b>Singapore – 0.9%</b>					Ascendas India Trust Units	142,000	56		0.1
Ascendas REIT	31,000	35		-	<b>Czech Republic – 0.1%</b>				
Ascott Residence REIT	59,004	37		0.1	Telefonica O2 Czech Republic	3,170	38		0.1
Cambridge Industrial Trust REIT	143,275	44		0.1	<b>Chile – 0.1%</b>				
CapitaCommercial Trust	68,000	47		0.1	Banco Santander Chile ADR	465	23		0.1
CapitaMalls Asia	94,000	78		0.1	<b>Convertible bonds – 4.5% (3.7%)</b>				
Hutchison Port	148,000	72		0.1	<b>US Dollar – 2.3%</b>				
Singapore Telecommunications	143,000	262		0.4	Agile Property 4% Convertible 2016	\$200,000	122		0.2
<b>Hong Kong – 0.9%</b>					Anglogold Ashanti 6% Convertible 2010	\$4,950	131		0.2
Dah Chong Hong	70,000	38		-	Apollo Investment 5.75% Convertible 2016	\$274,000	176		0.3
Hang Seng Bank	6,600	59		0.1	Ares Capital 5.125% Convertible 2016	\$227,000	147		0.2
Hutchison Whampoa	42,000	241		0.4	Ares Capital 4.875% Convertible 2017	\$136,000	86		0.1
Link Real Estate Investment Trust	17,000	47		0.1	BES Finance 1.625% Convertible 2013	\$100,000	60		0.1
Shanghai Industrial	33,000	57		0.1	Cemex 4.875% Convertible 2015	\$200,000	116		0.2
SJM	48,000	55		0.1	Dendreon 2.875% Convertible 2016	\$130,000	59		0.1
Sun Hung Kai Properties	2,000	16		-	Dryships 5% Convertible 2014	\$156,000	78		0.1
Vtech	5,900	44		0.1	Jaiprakash Power Ventures 5% Convertible 2015	\$200,000	111		0.2
<b>Brazil – 0.8%</b>					Peabody Energy 4.75% Convertible 2041	\$64,000	32		-
AES Tiete	6,790	52		0.1	Petrominerales 2.625% Convertible 2016	\$100,000	61		0.1
Bradespar Non Cum Preference	6,875	65		0.1	Polarcus 2.875% Convertible 2016	\$200,000	114		0.2
Cia Souza Cruz 'E'	7,545	71		0.1	Ship Finance International 3.75% Convertible 2016	\$100,000	53		0.1
Cia Transmissao de Energia Electrica Paulista Preference	3,020	55		0.1	Shui On Land 4.5% Convertible 2015	\$200,000	20		-
Cia Transmissao de Energia Electrica Paulista Rights 2012	25	-		-	Tata Steel 4.5% Convertible 2014	\$200,000	126		0.2
Cielo	3,980	77		0.1	US Concrete 9.5% Convertible 2015	\$15,000	10		-
Companhia de Bebidas das Americas ADR Preference	2,015	51		0.1	<b>Euro – 1.0%</b>				
Companhia de Concessoes Rodoviaras	14,460	79		0.1	Aabar Investments 4% Convertible 2016	\$100,000	78		0.1
Energias do Brasil	11,570	49		0.1	Air France-KLM 4.97% Convertible 2015	\$1,050,000	92		0.1
Vale ADR Preference	2,300	26		-	AXA 3.75% Convertible 2017	\$51,000	100		0.2
<b>New Zealand – 0.5%</b>					ImmoFinanz 4.25% Convertible 2018	\$22,300	70		0.1
Telecom Corporation of New Zealand	238,513	325		0.5	Kloekner 6% Convertible 2014	\$50,000	40		0.1
<b>Sweden – 0.5%</b>					Pescanova 8.75% Convertible 2019	\$100,000	75		0.1
Ericsson 'B'	29,985	177		0.3	Peugeot 4.45% Convertible 2016	\$550,000	97		0.1
Swedbank 'A'	13,370	148		0.2	Steinhoff Finance 4.5% Convertible 2018	\$150,000	113		0.2
<b>Thailand – 0.5%</b>					<b>Sterling – 0.9%</b>				
Advanced Info Service Public (Alien Market)	32,300	131		0.2	Ineos Finance 9% 2015	\$250,000	168		0.2
Bangkok Expressway (Alien Market)	144,700	83		0.1	STX Pan Ocean 4.5% Convertible 2014	\$100,000	61		0.1
Charoen Pokphand Foods (Alien Market)	128,100	86		0.2	TUI Travel 6% Convertible 2014	\$200,000	196		0.3
<b>Italy – 0.4%</b>					Vedanta Resources 5.5% Convertible 2016	\$200,000	122		0.2
ENI	21,205	284		0.4	Vedanta Resources 4% Convertible 2017	\$100,000	62		0.1
<b>Russia – 0.3%</b>									
Lukoil ADR	2,015	73		0.1					
Mechel ADR Preference	46,190	72		0.1					
Mobile Telesystems ADR	6,540	80		0.1					

# Portfolio statement – continued

As at 31 July 2012

Investment	Holding	Market value £'000	Total net assets %
<b>Australian Dollar – 0.3%</b>			
CFS Retail Property Trust 5.075% Convertible 2016	\$200,000	138	0.2
Commonwealth Property Office Fund 5.25% Convertible 2016	\$100,000	71	0.1
<b>Government bonds – 2.1% (4.9%)</b>			
Argentina 8.75% 2017	\$398,568	229	0.3
Dominican Republic 9.04% 2018	\$364,691	260	0.4
El Salvador 7.75% 2023	\$170,000	122	0.2
Peru 9.875% 2015	\$330,000	252	0.4
Russian 12.75% 2028	\$315,000	382	0.6
Uruguay 8% 2022	\$115,000	105	0.2
<b>Forward currency contracts – 1.0% (1.2%)</b>			
<b>Australian Dollar</b>			
Sell AUD 2,220,023 buy \$2,250,689 dated 17/08/12		(53)	(0.1)
<b>Euro</b>			
Buy €265,373 sell £206,548 dated 17/08/12		1	-
Sell €181,598 buy ¥17,499,237 dated 17/08/12		-	-
Sell €259,160 buy £201,537 dated 17/08/12		(1)	-
Sell €5,441,057 buy \$6,628,841 dated 17/08/12		(35)	(0.1)
<b>Hong Kong Dollar</b>			
Sell HKD5,845,078 buy \$753,562 dated 17/08/12		-	-
<b>Japanese Yen</b>			
Sell ¥259,295,148 buy \$3,268,852 dated 17/08/12		(30)	-
<b>New Zealand Dollar</b>			
Sell NZD 306,248 buy \$241,727 dated 17/08/12		(4)	-
<b>Singapore Dollar</b>			
Sell SGD 811,179 buy \$639,534 dated 17/08/12		(8)	-
<b>Swedish Krona</b>			
Sell SEK 2,282,835 buy \$323,473 dated 17/08/12		(7)	-
<b>Swiss Franc</b>			
Sell CHF 1,177,776 buy \$1,195,494 dated 17/08/12		(6)	-
<b>US Dollar</b>			
Sell \$85,865,238 buy £55,512,209 dated 17/08/12		767	1.2
<b>Futures – 0.0% (0.0%)</b>			
Euro Stoxx 50 Futures Sep 2012	3	1	-
FTSE 100 Index Futures Sep 2012	1	1	-
S&P500 E-Mini Futures Sep 2012	5	2	-
US Long Bond Futures Sep 2012	14	22	-
<b>Options – 0.0% (0.0%)</b>			
BASF Call Options 62 Sep 2012	(52)	(6)	-
E.On Call Options Aug 2012	(115)	(2)	-
Mattel Call Options 36 Aug 2012	(68)	(2)	-
Roche Call Options €175 Sep 2012	(28)	(5)	-
Sanofi Call Options 68 21 Sep 2012	(35)	(3)	-
Sodexo Call Options €64 Aug 2012	(34)	-	-
Swedbank Call Options 125 Sep 2012	(113)	(2)	-
Time Warner Call Options 40 Aug 2012	(174)	(3)	-
<b>Investment assets (including investment liabilities)</b>		<b>63,797</b>	<b>98.4</b>
<b>Net other assets</b>		<b>1,021</b>	<b>1.6</b>
<b>Net assets</b>		<b>64,818</b>	<b>100.0</b>

Portfolio credit ratings	Market value £'000
AAA	32
A	163
A-	71
BBB+	215
BBB	1,782
BBB-	1,115
BB+	2,534
BB	1,930
BB-	4,359
B+	3,914
B	5,752
B-	5,089
CCC+	2,570
CCC	3,501
C	2,973
Unrated	2,431
<b>Total bonds</b>	<b>38,431</b>
Equities	24,739
Forward currency contracts	624
Futures	26
Options	(23)
<b>Investment assets (including investment liabilities)</b>	<b>63,797</b>

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

The comparative percentage figures in brackets are at 31 January 2012.

# Unquoted security

## Portfolio movements

For the six months ending 31 July 2012

	£'000		£'000
<b>Total of all purchases for the period</b>	<b>24,339</b>	<b>Total of all sales for the period</b>	<b>12,367</b>
<b>Major purchases</b>	<b>Cost</b>	<b>Major sales</b>	<b>Proceeds</b>
Serbia 7.25% 2021	321	Brazil 11% 2040	555
Hungary 7.625% 2041	308	KT ADR	273
Romania 6.75% 2022	294	McDonald's	266
Standard Chartered 8.25% 2032	293	Colombia 11.75% 2020	262
Indonesia 11.625% 2019	282	Chrysler Group 8.25% 2021	226
Venezuela 11.95% 2031	259	Coca-Cola	221
CME Group 'A'	256	PPR	215
Ahold	256	Cable & Wireless 5.75% Convertible 2014	207
Brazil 11% 2040	237	Sri Lanka 7.4% 2015	189
AstraZeneca	228	Citigroup Funding 10.99% 2020	188
Chrysler Group 8.25% 2021	226	Bristol-Myers Squibb	188
Transurban Group	223	Apollo Investment 5.75% 2016	176
Citigroup Funding Brazil Linked 0% 2017	220	Standard Chartered	174
GS Mortgage Securities FRN 2036	214	Deutsche Bank 10.25% 2027	170
Ghana 8.5% 2017	212	Reynolds Group 8.5% 2018	164
First Franklin Mortgage Loan Trust 0.809% FRN 2034	207	ACCO Brands 10.625% 2015	152
Pearson	180	Williams	149
Apollo Investment 5.75% Convertible 2016	176	Carnival	146
UnitedHealth Group	175	Indonesia 11.625% 2019	146
Sprint Nextel 9% 2018	174	Argentina 8.75% 2017	139

# Financial statements

## Statement of total return

(Unaudited)

For the six months ending 31 July

	2012	2011
	£'000	£'000
Income		
Net capital gains/(losses)	1,886	(810)
Revenue	1,934	1,395
Expenses	(321)	(187)
Net revenue before taxation	1,613	1,208
Taxation	(265)	(198)
Net revenue after taxation	1,348	1,010
<b>Total return before distributions</b>	<b>3,234</b>	<b>200</b>
Finance costs: Distributions	(1,567)	(1,137)
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>1,667</b>	<b>(937)</b>

## Statement of change in net assets attributable to shareholders

(Unaudited)

For the six months ending 31 July

	2012	2011
	£'000	£'000
<b>Opening net assets attributable to shareholders</b>	<b>50,740</b>	<b>32,468</b>
Amounts receivable on issue of shares	12,775	20,428
Amounts payable on cancellation of shares	(1,131)	(550)
	11,644	19,878
Change in net assets attributable to shareholders from investment activities (see above)	1,667	(937)
Retained distributions on accumulation shares	768	615
Stamp duty reserve tax	(1)	(1)
<b>Closing net assets attributable to shareholders</b>	<b>64,818</b>	<b>52,023</b>

As the comparatives in the above table are for the previous interim period, the net assets at the end of that period will not agree to the net assets at the start of the current period.

## Balance sheet

(Unaudited)

As at

	31 July 2012	31 January 2012
	£'000	£'000
<b>ASSETS</b>		
Investment assets	63,964	50,045
Debtors	1,582	1,104
Cash and bank balances	995	1,108
<b>Total other assets</b>	<b>2,577</b>	<b>2,212</b>
<b>Total assets</b>	<b>66,541</b>	<b>52,257</b>
<b>LIABILITIES</b>		
Investment liabilities	(167)	(234)
Creditors	(1,069)	(986)
Bank overdraft	-	(11)
Distribution payable on income shares	(487)	(286)
<b>Total other liabilities</b>	<b>(1,556)</b>	<b>(1,283)</b>
<b>Total liabilities</b>	<b>(1,723)</b>	<b>(1,517)</b>
<b>Net assets attributable to shareholders</b>	<b>64,818</b>	<b>50,740</b>

# JPM Multi-Manager Growth Fund

## Investment objective and policy

To invest worldwide in any economic sector primarily through investment trusts. The Fund aims to provide capital growth over the long term.

Currently, in addition to investment trusts, the Fund may also invest in other closed-ended and open-ended funds.

The Fund may have exposure to Emerging Markets and smaller companies.

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

## Risk profile

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

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

Shares of investment trusts can trade at a premium or at a discount to their net assets and this might affect the performance of a Fund. Investment trusts may use gearing which will exaggerate market movements, both down and up. Some investment trusts may have warrants in issue, which if exercised may affect share values. Shares of investment trusts may become illiquid and be difficult to sell.

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

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

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

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

## Fund review

The six-month review period was volatile for global markets, with risk assets performing strongly in the earlier part of the period, only to subsequently reverse with weakening global macroeconomic data. In this environment, the Fund underperformed the benchmark.

The largest positive contributors to relative performance included an overweight position in the Biotech Growth Trust and Montanaro UK Smaller Companies Trust relative to the benchmark. SVG Capital and the Diverse Income Trust were not in the benchmark but performed strongly over the period. The largest detractors from relative performance were overweight positions in the Hansa Trust and JPM Asian Investment Trust. In addition, a small off-benchmark allocation to East Capital Explorer and not holding the Aberdeen Asian Smaller Companies PLC detracted. Across the market, emerging markets and commodities strategies were among the poorest performers, in contrast, US and biotechnology funds continued to perform strongly.

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).

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

Source: J.P. Morgan.

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## Fund outlook

Monetary policy has gone quiet, with the Fed, European Central Bank and Bank of England all pausing at their August meetings. Our sense is that further concerted policy easing is likely next month. Economic conditions have deteriorated globally, driven by a concerted downturn in manufacturing. This may be offset by growing signs of strength in the US domestic economy, though weakness remains elsewhere. Earnings momentum remains soft, though the recent earnings season was slightly better than expected. There are still doubts about earnings growth for 2013 in both the US and Europe, where estimates look too high.

## 12 month performance to 31 July

	2012	2011	2010	2009	2008
<b>JPM Multi-Manager Growth A-Class Acc</b>	<b>-10.0%</b>	<b>16.2%</b>	<b>19.2%</b>	<b>-17.9%</b>	<b>-14.9%</b>
Benchmark Index	-4.0%	16.8%	22.1%	-15.5%	-11.2%

## Six month performance to 31 July 2012

<b>JPM Multi-Manager Growth A-Class Acc</b>	<b>-0.9%</b>
Benchmark Index	1.9%

## Fund statistics

Risk and Reward Profile	6
Fund size	£274.7m
Benchmark Index	FTSE All-Share Equity Investment Instruments Index (Net)
Fund charges	Initial 4.25%, Annual 1.25%

## Top ten holdings (excluding Liquidity funds) %

The Mercantile Investment Trust <sup>^</sup>	4.8
Scottish Mortgage Investment Trust	4.3
Templeton Emerging Markets Investment Trust	3.7
Alliance Trust	3.7
RIT Capital Partners	3.1
3i Infrastructure	3.1
Monks Investment Trust	3.1
JPMorgan Emerging Markets Investment Trust <sup>^</sup>	3.0
Caledonia Investments	2.7
British Empire Securities & General Trust	2.6

<sup>^</sup> Deemed to be investment in related parties of the ACD

## Sector breakdown %

Investment funds	98.8
Liquidity funds	1.0
Net other assets	0.2

## Highest/lowest share price and distribution record

Calendar year	Highest share price	Lowest share price	Distribution per share (net)
<b>A-Class Accumulation Shares</b>			
2007	608.8p	539.5p	1.04p
2008	567.3p	322.4p	2.01p
2009	470.0p	301.0p	4.98p
2010	571.2p	446.9p	1.34p
2011	582.9p	474.0p	0.61p
2012 <sup>A</sup>	543.5p	486.3p	0.93p
<b>A-Class Income Shares</b>			
2007	589.6p	522.5p	1.02p
2008	548.4p	310.6p	1.95p
2009	446.9p	288.7p	4.78p
2010	541.6p	424.5p	1.28p
2011	552.8p	449.0p	0.58p
2012 <sup>A</sup>	513.9p	459.8p	0.88p

<sup>A</sup> To 31 July 2012.

## Portfolio turnover rate

31.01.12	53.6%
31.07.12	7.6%

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

## Net asset values and Ongoing charges

Date	Net asset value per share class £'000	Number of shares	Net asset value per share	Ongoing charges
<b>A-Class Accumulation Shares</b>				
31.01.10	130,874	29,078,647	450.1p	1.42%
31.01.11	153,228	27,294,668	561.4p	1.43%
31.01.12	130,672	25,640,089	509.6p	1.43%
31.07.12	124,794	24,691,123	505.4p	1.43%
<b>A-Class Income Shares</b>				
31.01.10 <sup>B</sup>	187,718	43,907,479	427.5p	1.42%
31.01.11 <sup>B</sup>	208,552	39,174,861	532.4p	1.43%
31.01.12 <sup>B</sup>	156,400	32,456,094	481.9p	1.43%
31.07.12	149,912	31,369,516	477.9p	1.43%

<sup>B</sup> The net asset value and the net asset value per income share are shown ex-dividend at the financial year end.

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 and any fixed 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 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 31 July 2012

Investment	Holding	Market value £'000	Total net assets %	Investment	Holding	Market value £'000	Total net assets %
<b>Investment funds - 98.8% (99.2%)</b>							
3i Infrastructure	6,968,272	8,599	3.1	JPMorgan Smaller Companies Investment Trust <sup>^</sup>	745,051	3,338	1.2
Aberforth Smaller Companies Trust	227,907	1,358	0.5	JPMorgan US Smaller Companies Investment Trust <sup>^</sup>	263,801	2,546	0.9
Advance Developing Markets Fund	1,064,386	4,300	1.6	Jupiter European Opportunities Trust	733,026	2,228	0.8
Alliance Trust	2,797,293	10,112	3.7	Lowland Investment	315,612	2,844	1.0
Artemis Alpha Trust	930,301	2,521	0.9	Miton Worldwide Growth Investment Trust	850,000	1,075	0.4
Artemis Alpha Trust Subscription Shares (GBP 3.45)	98,390	55	-	Monks Investment Trust	2,662,060	8,396	3.1
Ashmore Global Opportunities	355,000	1,882	0.7	Montanaro European Smaller Companies Trust	451,500	1,693	0.6
Bankers Investment Trust	420,000	1,729	0.6	Montanaro UK Smaller Companies Investment Trust	1,113,500	3,920	1.4
BH Macro	298,092	5,640	2.1	Pacific Horizon Investment Trust	1,768,993	2,631	1.0
Biotech Growth Trust	1,121,936	3,231	1.2	Perpetual Income & Growth Investment Trust	1,164,605	3,215	1.2
BlackRock Frontier	3,660,000	2,809	1.0	Perpetual Income & Growth Investment Trust Subscription shares (GBP 218.94)	252,299	111	-
BlackRock World Mining Trust	1,269,355	7,032	2.6	RCM Technology Trust	1,136,813	3,399	1.2
BlueCrest BlueTrend	1,500,000	1,564	0.6	RIT Capital Partners	708,939	8,621	3.1
British Empire Securities & General Trust	1,700,832	7,184	2.6	Schroder Asia Pacific Fund	1,427,655	3,216	1.2
Caledonia Investments	515,738	7,323	2.7	Schroder Asia Pacific Fund Subscription shares (GBP 245)	981,330	25	-
Candover Investments	180,443	700	0.3	Schroder UK Growth Fund	1,590,000	1,952	0.7
Catco Reinsurance Opportunities Fund	4,026,000	2,541	0.9	Schroder UK Mid & Small Cap Fund	600,000	1,446	0.5
Catco Reinsurance Opportunities Fund 'C'	1,500,000	1,071	0.4	Scottish Mortgage Investment Trust	1,769,278	11,819	4.3
City Natural Resources High Yield Trust	1,317,065	2,723	1.0	SVG Capital	565,332	1,492	0.5
Damille Investments	2,476,208	1,783	0.6	SVM Global Fund	1,281,277	3,440	1.3
Damille Investments II	2,000,000	1,620	0.6	Templeton Emerging Markets Investment Trust	1,897,630	10,247	3.7
Diverse Income Trust	4,827,875	2,462	0.9	The Cayenne Trust	2,308,000	2,539	0.9
Diverse Income Trust 'C'	3,702,000	1,870	0.7	The Mercantile Investment Trust <sup>^</sup>	1,335,307	13,093	4.8
Doric Nimrod Air Two Preference	1,250,000	2,837	1.0	TR Property Investment Trust Sigma	2,968,030	2,011	0.7
East Capital Explorer	270,000	1,104	0.4	Vision Opportunity China	1,540,000	98	-
Ecofin Water & Power Opportunities	2,572,481	2,926	1.1				
Edinburgh Dragon Trust	1,531,750	3,714	1.4	<b>Liquidity funds - 1.0% (0.5%)</b>			
Edinburgh Dragon Trust 3.5% Convertible 2018	922,307	955	0.3	JPM Sterling Liquidity 'X' (Income) <sup>^</sup> <sup>§</sup>	2,877,441	2,877	1.0
Edinburgh Investment Trust	682,353	3,497	1.3				
Edinburgh Worldwide Investment Trust	1,046,081	2,772	1.0	<b>Investment assets</b>		<b>274,121</b>	<b>99.8</b>
Electra Private Equity	186,590	3,215	1.2	<b>Net other assets</b>		<b>585</b>	<b>0.2</b>
Electra Private Equity 5% Convertible 2017	1,593	1,856	0.7	<b>Net assets</b>		<b>274,706</b>	<b>100.0</b>
F&C Private Equity Trust Restricted Voting	1,500,000	75	-				
Fidelity China Special Situations	2,675,000	1,939	0.7				
Fidelity European Values	265,522	2,966	1.1				
Finsbury Growth & Income Trust	1,613,000	5,807	2.1				
Finsbury Worldwide Pharmaceutical Trust	416,924	3,440	1.3				
Foreign & Colonial Investment Trust	763,500	2,335	0.9				
Hansa Trust 'A' Non-Voting	555,129	3,858	1.4				
Henderson Eurotrust	474,642	2,387	0.9				
Henderson Fledgling Trust	232,511	738	0.3				
HG Capital Trust	374,948	3,465	1.3				
HG Capital Trust Subscription shares (GBP 9.50)	111,189	23	-				
Impax Asian Environmental Markets Subscription shares (GBP 100)	858,774	13	-				
Impax Environmental Markets	4,317,754	4,059	1.5				
International Public Partnerships	1,400,000	1,701	0.6				
JPMorgan American Investment Trust <sup>^</sup>	646,646	5,930	2.2				
JPMorgan Asian Investment Trust <sup>^</sup>	3,440,660	6,073	2.2				
JPMorgan Asian Investment Trust Subscription shares (GBP 203) <sup>^</sup>	809,765	65	-				
JPMorgan Brazil Investment Trust <sup>^</sup>	1,772,000	1,488	0.5				
JPMorgan Brazil Investment Trust Subscription shares (GBP 100) <sup>^</sup>	453,137	45	-				
JPMorgan Emerging Markets Investment Trust <sup>^</sup>	1,551,875	8,334	3.0				
JPMorgan Emerging Markets Investment Trust Subscription shares (GBP 460) <sup>^</sup>	219,030	115	-				
JPMorgan European Smaller Companies Trust <sup>^</sup>	212,014	1,369	0.5				
JPMorgan Global Emerging Markets Income Trust <sup>^</sup>	1,680,760	1,908	0.7				
JPMorgan Income & Capital Trust <sup>^</sup>	1,638,037	1,024	0.4				
JPMorgan Income & Growth Investment Trust (Capital) <sup>^</sup>	4,836,729	218	0.1				
JPMorgan Income & Growth Investment Trust (Income) <sup>^</sup>	133,333	97	-				
JPMorgan Indian Investment Trust <sup>^</sup>	724,260	2,355	0.9				
JPMorgan Japanese Investment Trust <sup>^</sup>	2,003,959	3,166	1.2				
JPMorgan Japanese Smaller Companies Investment Trust <sup>^</sup>	1,506,186	2,007	0.7				
JPMorgan Japanese Smaller Companies Investment Trust Subscription shares (GBP 174) <sup>^</sup>	326,000	23	-				
JPMorgan Overseas Investment Trust <sup>^</sup>	347,301	2,556	0.9				
JPMorgan Russian Securities <sup>^</sup>	663,400	3,285	1.2				

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

The comparative percentage figures in brackets are at 31 January 2012.

<sup>^</sup> Deemed to be investment in related parties of the ACD

<sup>§</sup> Approved security as defined in the Collective Investment Schemes sourcebook

## Portfolio movements

For the six months ending 31 July 2012

	£'000		£'000
<b>Total of all purchases for the period</b>	<b>21,140</b>	<b>Total of all sales for the period</b>	<b>30,058</b>
<b>Purchases</b>	<b>Cost</b>	<b>Major sales</b>	<b>Proceeds</b>
JPM Sterling Liquidity 'X' (Income)^	10,465	JPM Sterling Liquidity 'X' (Income)^	8,890
Alliance Trust	1,963	Impax Asian Environmental Markets	3,162
Diverse Income Trust 'C'	1,851	NB Distressed Debt Investment Fund	2,530
BlueCrest BlueTrend	1,502	Foreign & Colonial Investment Trust	1,941
Fidelity European Values	974	JPMorgan Asian Investment Trust^	1,667
Caledonia Investments	963	Dexion Trading	1,502
JPMorgan Indian Investment Trust^	887	BlackRock World Mining Trust	1,090
Edinburgh Dragon Trust	837	JPMorgan American Investment Trust^	1,008
RCM Technology Trust	735	Biotech Growth Trust	943
3i Infrastructure	340	JPMorgan US Discovery Investment Trust^	924
Lowland Investment	280	Jupiter European Opportunities Trust	914
Henderson Eurotrust	280	Aberdeen New Dawn Investment Trust	814
Montanaro European Smaller Companies Trust	158	JPMorgan European Investment Trust (Growth)^	789
Montanaro UK Smaller Companies Investment Trust	105	SVG Capital	728
JPMorgan Overseas Investment Trust^	48	Edinburgh Investment Trust	621
Damille Investments	(248)	JPMorgan Global Emerging Markets Income Trust^	553
		Hansa Trust 'A' Non-Voting	538
		JPMorgan Indian Investment Trust^	327
		JPMorgan Russian Securities^	288
		Templeton Emerging Markets Investment Trust	278

^ Deemed to be investment in related parties of the ACD

# Financial statements

## Statement of total return

(Unaudited)

For the six months ending 31 July

	2012	2011
	£'000	£'000
Income		
Net capital losses	(3,223)	(303)
Revenue	3,094	2,764
Expenses	(2,021)	(2,375)
Net revenue before taxation	1,073	389
Taxation	-	(1)
Net revenue after taxation	1,073	388
<b>Total return before distributions</b>	<b>(2,150)</b>	<b>85</b>
Finance costs: Distributions	(9)	(384)
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>(2,159)</b>	<b>(299)</b>

## Balance sheet

(Unaudited)

As at

	31 July 2012	31 January 2012
	£'000	£'000
<b>ASSETS</b>		
Investment assets	274,121	286,265
Debtors	836	1,508
Cash and bank balances	263	775
<b>Total other assets</b>	<b>1,099</b>	<b>2,283</b>
<b>Total assets</b>	<b>275,220</b>	<b>288,548</b>
<b>LIABILITIES</b>		
Creditors	(514)	(1,191)
Distribution payable on income shares	-	(285)
<b>Total liabilities</b>	<b>(514)</b>	<b>(1,476)</b>
<b>Net assets attributable to shareholders</b>	<b>274,706</b>	<b>287,072</b>

## Statement of change in net assets attributable to shareholders

(Unaudited)

For the six months ending 31 July

	2012	2011
	£'000	£'000
<b>Opening net assets attributable to shareholders</b>	<b>287,072</b>	<b>361,780</b>
Amounts receivable on issue of shares	216	196
Amounts payable on cancellation of shares	(10,421)	(12,216)
	(10,205)	(12,020)
<b>Change in net assets attributable to shareholders from investment activities (see above)</b>	<b>(2,159)</b>	<b>(299)</b>
Retained distributions on accumulation shares	-	161
Stamp duty reserve tax	(4)	(6)
Unclaimed distributions	2	-
<b>Closing net assets attributable to shareholders</b>	<b>274,706</b>	<b>349,616</b>

As the comparatives in the above table are for the previous interim period, the net assets at the end of that period will not agree to the net assets at the start of the current period.

# JPM Natural Resources Fund

## Investment objective and policy

To invest, primarily in the shares of, companies throughout the world engaged in the production and marketing of commodities. The Fund aims to provide capital growth over the long term.

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

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

## Risk profile

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

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

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

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

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

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

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

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

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

## Fund review

The six months to end July 2012 was a difficult period for commodities and commodity-related equities. The sector performed poorly, with macroeconomic fears overwhelming company fundamentals. The slowdown in Chinese economic activity was the biggest drag on performance. In this environment, base metals and diversified stocks were particularly poor performers. The Fund delivered a negative return, with our oil exploration and production names moving lower on declining oil prices. However, there was some stock selection success, as Providence Resources, African Petroleum and Calvalley Petroleum all moving substantially higher. Thermal coal producers were notably weak as low gas prices encouraged co-generation power stations in the US to switch from coal to gas. Gold and precious equities were also weak and failed to offer any safe haven characteristics in the macroeconomic uncertainty. Gold equities continued to underperform gold bullion.

## Fund outlook

Investors are increasingly concerned that Chinese GDP growth may struggle to surpass the government's conservative target of 7% this year. There are increasing signs that monetary easing may be accompanied by a more expansionary fiscal policy in China. Given the macro uncertainty, many sell-side analysts have downgraded their forecasts for oil demand growth for 2012. However, with the oil price sitting just above the level needed to balance budgets in key OPEC member states, we see limited downside from here. For gold bullion and gold equity investors in particular, the focus will be on Jackson Hole and the Federal Reserve's Economic Policy Symposium to see if another round of quantitative easing will be announced. Across the sector, valuations remain very attractive and we are already seeing a pick up in M&A activity as large miners see greater value in 'buying' assets rather than 'building' them.

## 12 month performance to 31 July

	2012	2011	2010	2009	2008
<b>JPM Natural Resources A-Class Acc</b>	<b>-33.5%</b>	<b>28.7%</b>	<b>32.6%</b>	<b>-14.6%</b>	<b>-6.6%</b>
<b>JPM Natural Resources B-Class Acc</b>	<b>-33.2%</b>	<b>29.4%</b>	<b>33.3%</b>	<b>-14.1%</b>	<b>-</b>
Benchmark Index <sup>A</sup>	-18.9%	22.1%	24.9%	-6.6%	14.3%

## Six month performance to 31 July 2012

<b>JPM Natural Resources A-Class Acc</b>	<b>-24.9%</b>
Benchmark Index <sup>A</sup>	-17.0%

## Fund statistics

Risk and Reward Profile	7
Fund size	£1,594.0m
Benchmark Index <sup>A</sup>	HSBC Gold Mining & Energy Index (Net)
Fund charges	
A-Class	Initial 4.25%, Annual 1.50%
B-Class	Initial Nil, Annual 1.00%

## Top ten holdings (excluding Liquidity funds) %

Rio Tinto	4.0
First Quantum Minerals	2.7
Freeport-McMoRan Copper & Gold	2.7
Xstrata	2.5
Pacific Rubiales Energy	2.4
BHP Billiton	2.4
Anglo American	2.3
Fortescue Metals Group	2.2
Anadarko Petroleum	2.1
Aurora Oil & Gas	1.9

You should remember that past performance is not a guide to the future. The price of investments and the income from them may fall as well as rise and investors may not get back the full amount invested. For specific risks, including the risk and reward profile, please refer to the Key Investor information Document (KIID).

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

Source: J.P. Morgan.

<sup>A</sup> On 01/03/07 a customised index was introduced in order to facilitate a comparison between the Fund's performance and that of the broader Natural Resources sector. Please note that the Fund should not be expected to look or perform similar to the index.

## Sector breakdown

	%
Base metals & diversified	30.3
Gold & silver	28.4
Oil & gas	27.9
Others	4.3
Liquidity funds	3.0
Diamonds & precious stones	2.8
Coal	2.3
Platinum	0.9
Uranium	0.5
Net other liabilities	(0.4)

## Highest/lowest share price and distribution record

Calendar year	Highest share price	Lowest share price	Distribution per share (net)
<b>A-Class Accumulation Shares</b>			
2007	906.6p	560.0p	0.00p
2008	933.5p	297.1p	0.00p
2009	827.4p	387.7p	0.00p
2010	1,182p	729.7p	0.00p
2011	1,194p	762.0p	0.00p
2012 <sup>b</sup>	969.8p	668.7p	0.00p
<b>A-Class Income Shares<sup>c</sup></b>			
2007	64.27p	50.00p	-
2008	66.18p	21.06p	0.00p
2009	58.66p	27.49p	0.00p
2010	83.83p	51.73p	0.00p
2011	84.60p	54.03p	0.00p
2012 <sup>b</sup>	68.76p	47.41p	0.00p
<b>B-Class Accumulation Shares<sup>d</sup></b>			
2007	101.3p	86.67p	-
2008	104.6p	33.38p	0.00p
2009	93.46p	43.59p	0.00p
2010	134.3p	82.49p	0.00p
2011	135.5p	86.91p	0.00p
2012 <sup>b</sup>	110.8p	76.59p	0.00p

<sup>b</sup> To 31 July 2012.

<sup>c</sup> A-Class Income Shares were launched on 1 September 2007.

<sup>d</sup> B-Class Accumulation Shares were launched on 1 November 2007.

## Portfolio turnover rate

31.01.12	58.2%
31.07.12	21.4%

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

## Net asset values and Ongoing charges

Date	Net asset value per share class £'000	Number of shares	Net asset value per share	Ongoing charges
<b>A-Class Accumulation Shares</b>				
31.01.10	1,686,211	225,659,286	747.2p	1.67%
31.01.11	2,605,760	237,879,051	1,095p	1.68%
31.01.12	2,144,226	230,377,642	930.7p	1.68%
31.07.12	1,526,470	217,293,803	702.5p	1.68%
<b>A-Class Income Shares</b>				
31.01.10 <sup>e</sup>	22,938	43,296,995	52.98p	1.66%
31.01.11 <sup>e</sup>	63,158	81,320,630	77.67p	1.68%
31.01.12 <sup>e</sup>	49,978	75,735,140	65.99p	1.68%
31.07.12	39,333	78,970,577	49.81p	1.68%
<b>B-Class Accumulation Shares</b>				
31.01.10	20,054	23,740,284	84.47p	1.14%
31.01.11	45,561	36,598,198	124.5p	1.15%
31.01.12	40,571	38,153,191	106.3p	1.15%
31.07.12	28,169	35,004,713	80.47p	1.15%

<sup>e</sup> The net asset value and the net asset value per income share are shown ex-dividend at the financial year end. 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 and any fixed 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 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 31 July 2012

Investment	Holding	Market value £'000	Total net assets %
<b>Base metals &amp; diversified - 30.3% (30.0%)</b>			
Aditya Birla Minerals	3,105,690	865	0.1
Afferro Mining	4,927,577	2,513	0.2
African Minerals*	4,063,400	12,241	0.8
Alumina*	5,069,900	2,313	0.1
Anglo American	1,872,000	35,877	2.3
Antofagasta	1,356,000	14,658	0.9
AQM Copper	4,644,400	488	-
AQM Copper Warrants 2014 (CAD 1.00)#	2,350,000	-	-
Aquila Resources	466,225	666	-
Archipelago Metals#	1,608,002	-	-
Augusta Resource (CAD)	3,450,400	3,955	0.2
Augusta Resource (USD)	570,000	654	-
Baja Mining	5,820,000	167	-
BHP Billiton (AUD)	656,000	14,051	0.9
BHP Billiton (GBP)	1,272,600	23,982	1.5
Blackthorn Resources	3,571,912	2,708	0.2
Cape Lambert Resources	22,940,186	4,772	0.3
Copper Mountain Mining	1,560,000	3,248	0.2
Discovery Metals	3,785,000	3,327	0.2
Duluth Exploration Warrants 2013 (CAD 1.00)#	204,999	16	-
Duluth Metals	3,075,000	3,838	0.2
Equatorial Resources	2,942,825	3,712	0.2
Eurasian Natural Resources	950,000	3,791	0.2
Exeter Resources	1,556,563	1,279	0.1
Ferrexpo	4,577,622	8,487	0.5
Ferrox#	158,318	-	-
Ferrox Warrants 2014 (CAD 0.80)#	79,158	-	-
First Quantum Minerals	3,678,000	42,648	2.7
Fortescue Metals Group	12,675,000	35,041	2.2
Freeport-McMoRan Copper & Gold	1,943,000	42,106	2.7
Gindalbie Metals	29,094,692	7,711	0.5
Global Alumina	6,532,449	895	0.1
Hudbay Minerals	640,000	3,460	0.2
Independence Group	2,169,486	4,469	0.3
Inmet Mining	377,000	9,113	0.6
International Ferro Metals	16,100,000	2,093	0.1
IRC	8,020,000	442	-
Ivanhoe Mines	1,552,500	8,403	0.5
Ivornia	24,375,000	2,095	0.1
Kagara	16,600,000	1	-
Lundin Mining	4,300,000	12,020	0.8
Lundin Mining SDR	1,000,000	2,779	0.2
Marengo Mining	34,500,000	2,526	0.2
Mawson West	6,340,000	2,342	0.2
Merafe Resources	57,095,356	3,556	0.2
Mercator Minerals	1,975,000	704	-
Minsur 'I'	351,684	195	-
Mirabela Nickel (AUD)	10,647,062	1,857	0.1
Mirabela Nickel (CAD)	2,732,727	452	-
MMC Norilsk Nickel ADR	260,384	2,621	0.2
Mwana Africa*	38,719,454	1,510	0.1
NGEx Resources	1,773,000	1,976	0.1
Ormonde Mining*	15,022,836	939	0.1
Pluton Resources	2,245,853	-	-
Regulus Resources	3,184,482	1,054	0.1
Regulus Resources Warrants 2014 (CAD 1.60)#	1,592,241	-	-
Rex Minerals	5,693,845	2,942	0.2
Rio Tinto (AUD)	630,000	22,489	1.4
Rio Tinto (GBP)	1,410,000	42,032	2.6
Robust Resources	3,054,315	1,599	0.1
Sandfire Resources	798,000	3,764	0.2
St Augustine Gold and Copper	417,692	28	-
Sundance Resources	33,000,000	7,307	0.5
Teck Resources 'B'	587,500	10,834	0.7
Terramin	4,292,500	112	-
Thompson Creek Metals	1,290,000	2,185	0.1
Tiger Resources	8,300,000	1,559	0.1
Timah	37,400,000	3,354	0.2
Vale Indonesia	19,100,000	3,123	0.2
Western Areas	680,000	1,588	0.1
Windimurra Vanadium†	7,085,887	-	-
Xstrata	4,667,000	39,894	2.5
Zincox Resources*	1,389,670	778	-

Investment	Holding	Market value £'000	Total net assets %
<b>Gold &amp; silver - 28.4% (33.0%)</b>			
Alacer Gold	2,635,139	10,255	0.6
Alamos Gold	1,188,620	12,276	0.8
AngloGold Ashanti	265,000	5,932	0.4
Archipelago Resources*	8,783,226	4,348	0.3
Aureus Mining	4,968,836	2,410	0.2
Ausgold	3,926,143	896	0.1
Avocet Mining*	1,832,383	1,398	0.1
Azumah Resources	10,908,200	952	0.1
B2Gold	4,100,000	8,850	0.5
Banro (CAD)	6,878,571	18,046	1.1
Banro (USD)	1,285,000	3,367	0.2
Barrick Gold	640,000	13,485	0.8
Brazilian Gold	3,840,000	562	-
Carrick Gold	6,096,000	1,145	0.1
Centamin	7,060,000	4,716	0.3
Centerra Gold	1,770,000	8,273	0.5
CGA Mining	7,020,000	9,432	0.6
Cluff Gold*	7,190,300	3,739	0.2
Coeur d'Alene Mincom	554,000	5,916	0.4
Colossus Minerals	570,000	1,285	0.1
Detour Gold	590,791	8,555	0.5
Eldorado Gold	4,070,000	29,389	1.8
Endeavour Mining	5,145,000	7,837	0.5
Goldcorp	690,000	16,081	1.0
G-Resources Group	269,394,000	9,968	0.6
Gryphon Minerals	3,247,500	1,449	0.1
Highland Gold Mining*	5,210,000	5,952	0.4
Hummingbird Resources*	2,025,000	1,721	0.1
IAMGOLD	887,000	6,411	0.4
Integra Mining	20,042,400	4,169	0.3
Keegan Resources	1,620,000	3,188	0.2
Kinross Gold	5,520,000	29,947	1.9
Kinross Gold Warrants 2014 (USD 21.30)	249,150	61	-
Kirkland Lake Gold	990,000	7,590	0.5
Lake Shore Gold	1,680,000	1,155	0.1
Levon Resources	1,021,750	221	-
Minera IRL (CAD)*	200,000	88	-
Minera IRL (GBP)*	6,205,000	2,730	0.2
Mirasol Resources	1,171,705	1,343	0.1
Nevsun Resources	3,034,435	7,072	0.4
New Gold	660,000	4,354	0.3
Newcrest Mining	970,000	15,296	1.0
Newmont Mining	228,000	6,576	0.4
Norseman Gold*	2,617,442	68	-
Norseman Gold CDI	800,000	25	-
Northern Star Mining†	1,370,000	-	-
Northern Star Mining (R1933)†	8,500,000	1	-
Northern Star Mining Warrants Aug 2012 (CAD 0.70)†	4,250,000	-	-
Northern Star Mining Warrants Dec 2012 (CAD 0.70)†	685,000	-	-
Northern Star Resources	7,900,000	4,638	0.3
Nyota Minerals	30,066,129	1,308	0.1
Oceanagold	5,460,000	7,327	0.5
Orezone Gold	3,321,738	2,602	0.2
Osisko Mining	740,000	4,015	0.2
Pan American Silver	705,000	6,563	0.4
Pan American Silver Warrants 2014 (CAD 35.00)#	222,000	-	-
Papillon Resources	1,540,000	1,090	0.1
Papua Mining	1,375,000	619	-
Perseus Mining	5,200,000	7,881	0.5
Polyus Gold	1,061,396	2,160	0.1
Rainy River Resources	1,441,400	3,699	0.2
Randgold Resources ADS	433,000	25,342	1.6
Real Gold Mining†	3,089,500	-	-
Red 5	3,324,489	2,722	0.2
Resolute Mining	1,350,000	1,223	0.1
Rio Alto Mining	6,160,000	17,180	1.1
Romarco Minerals	8,243,333	3,097	0.2
Rusoro Mining	11,570,000	185	-
Saracen Mineral	6,988,411	2,227	0.1
Scorpio Mining	5,245,000	1,770	0.1
SEMAFO	5,410,000	10,920	0.7
Silver Wheaton	1,300,000	23,261	1.4
Silvercrest Mines	920,000	1,195	0.1
St Barbara	3,050,000	2,814	0.2
Swan Gold Mining†	6,904,508	-	-
Teranga Gold (AUD)	1,530,000	1,684	0.1
Teranga Gold (CAD)	1,374,179	1,479	0.1
Victoria Gold	6,679,000	1,191	0.1
Yamana Gold	2,485,000	24,004	1.5

# Portfolio statement – continued

As at 31 July 2012

Investment	Holding	Market value £'000	Total net assets %
<b>Oil &amp; gas – 27.9% (22.7%)</b>			
3Legs Resources	2,650,000	1,007	0.1
Afren	11,865,000	14,962	0.9
African Petroleum	7,900,000	5,831	0.4
Amerisur Resources	11,853,900	4,445	0.3
Anadarko Petroleum	725,000	33,179	2.1
Argos Resources*	8,761,579	1,270	0.1
Armour Energy	10,000,000	1,342	0.1
Armour Energy Warrants 2014 (AUD 0.50)	2,500,000	69	-
Aurora Oil & Gas	13,410,624	30,595	1.9
Beach Energy	3,712,500	2,728	0.2
Borders & Southern Petroleum*	8,105,000	1,337	0.1
Bowleven*	7,465,000	4,591	0.3
Calvalley Petroleum	5,024,000	7,870	0.5
Canacol Energy	3,150,000	883	0.1
Canadian Natural Resources	1,335,000	23,896	1.5
Canadian Overseas Petroleum	10,600,000	1,147	0.1
Canadian Overseas Petroleum Warrants 2013 (CAD 0.65)#	5,300,000	-	-
Circle Oil*	7,166,299	1,290	0.1
CNOOC	23,375,000	30,176	1.9
Coastal Energy	1,100,000	10,437	0.7
Cobalt International Energy	233,368	3,593	0.2
Det Norske Oljeselskap	217,000	1,837	0.1
DNO International	19,400,000	16,178	1.0
Eland 5% Convertible 2012#	£19	950	0.1
Energy XXI (Bermuda)	815,000	16,975	1.1
Exillon Energy	7,497,479	7,160	0.4
Falkand Oil & Gas*	5,660,652	3,977	0.2
Gran Tierra Energy	2,175,000	6,218	0.4
Gulf Keystone Petroleum*	3,364,501	5,964	0.4
Hurricane Explorations	3,250,000	4,388	0.3
International Petroleum	25,340,367	1,700	0.1
Ithaca Energy (CAD)	3,949,900	5,005	0.3
Ithaca Energy (GBP)*	1,550,000	1,969	0.1
Jordan Energy and Mining#	229,848	569	-
Lundin Petroleum	1,253,000	17,108	1.1
Mitra Energy#	2,335,000	4,838	0.3
New Zealand Energy	3,500,000	3,878	0.2
Niko Resources	295,000	3,201	0.2
Occidental Petroleum	344,000	19,572	1.2
Ophir Energy	1,332,000	7,845	0.5
Pacific Rubiales Energy	2,620,000	38,421	2.4
Parex Resources	1,860,000	5,697	0.4
Petrobank Energy & Resources	485,000	3,672	0.2
Petroceltic International*	51,230,644	4,109	0.2
Petroleo Brasileiro ADS	725,000	9,462	0.6
Petrominerales	1,443,887	8,780	0.6
PetroNefc Resources*	2,301,846	132	-
Premier Oil	591,727	2,304	0.1
Providence Resources*	3,070,000	19,740	1.2
Rialto Energy	21,472,107	2,521	0.2
Rockhopper Exploration*	1,108,225	1,953	0.1
Royal Dutch Shell 'B'	94,000	2,132	0.1
RusPetro	2,450,000	3,553	0.2
Swift Energy	202,000	2,422	0.2
Tethys Petroleum (CAD)	12,196,000	4,504	0.3
Tethys Petroleum (GBP)	1,100,000	413	-
Trap Oil Group	11,300,793	1,978	0.1
Valiant Petroleum*	991,198	4,227	0.3
Volga Gas*	1,850,000	1,508	0.1
WesternZagros Resources	5,210,000	3,682	0.2
Zhaikmunai L.P. GDR	2,610,000	13,329	0.8
<b>Others – 4.3% (5.4%)</b>			
Altus Renewables#	715,000	-	-
Arafura Resources	789,096	85	-
Base Resources	6,120,748	1,191	0.1
Elemental Minerals	2,340,869	999	0.1
Equatorial Palm Oil	3,022,381	363	-
Equatorial Palm Oil Warrants 2013 (GBP 0.175)#	630,000	-	-
Iluka Resources	1,900,000	12,112	0.8
Kenmare Resources	44,257,429	16,375	1.0
Leaf Clean Energy*	3,131,250	2,348	0.1
Lynas	13,770,000	7,392	0.5
Mineral Deposits	1,330,000	3,695	0.2
New Britain Palm Oil	802,000	6,617	0.4
Pathfinder Minerals	48,000,000	408	-
Sierra Rutile*	23,960,704	17,372	1.1
Stans Energy	2,410,000	744	-
Stans Energy Warrants 2013 (CAD 2.25)#	1,205,000	-	-
World Titanium Resources	3,300,000	343	-

Investment	Holding	Market value £'000	Total net assets %
<b>Diamonds &amp; precious stones – 2.8% (2.0%)</b>			
DiamonEx (AUD)†	6,500,000	-	-
DiamonEx (GBP)#	800,000	-	-
Firestone Diamonds*	29,314,149	1,466	0.1
Gem Diamonds	1,500,000	2,925	0.2
Harry Winston Diamond	545,000	4,522	0.3
Kennedy Diamonds	484,453	494	-
Lucara Diamond	10,375,855	3,700	0.2
Mantle Diamonds#	1,693,365	127	-
Mountain Province Diamonds	1,682,500	4,928	0.3
Mountain Province Diamonds (R1933)#	739,767	2,167	0.1
Petra Diamonds*	18,679,882	23,462	1.5
Redox Diamonds#	2,000,000	-	-
Stornoway Diamond	1,652,500	747	0.1
Stornoway Diamond Warrants 2014 (CAD 1.20)	175,000	-	-
Target Resources‡	6,155,800	1	-
Tsar Emerald#	9,400,000	1	-
<b>Coal – 2.3% (3.3%)</b>			
Bathurst Resources	16,328,583	3,177	0.2
China Shenhua Energy 'H'	5,400,000	12,854	0.8
Coal of Africa	5,488,965	1,523	0.1
Mongolian Mining	8,250,000	2,890	0.2
New Hope Coal	2,275,000	6,167	0.4
New World Resources 'A'	608,000	1,817	0.1
Walter Energy	359,430	7,965	0.5
<b>Platinum – 0.9% (1.3%)</b>			
Aquarius Platinum	4,517,997	1,781	0.1
Eastern Platinum	7,916,607	1,008	0.1
Impala Platinum	543,000	5,515	0.3
Jubilee Platinum (GBP)*	10,750,831	941	0.1
Jubilee Platinum (ZAR)	700,000	61	-
Platinum Group Metals	5,623,850	3,080	0.2
Sylvania Platinum*	9,595,000	1,319	0.1
<b>Uranium – 0.5% (0.8%)</b>			
Berkeley Resources Warrants 2013 (AUD 0.75)	26,133	-	-
Cameco Corporation	290,000	3,996	0.3
Global Atomic Fuels#	2,160,000	3,095	0.2
Rockgate Capital	4,650,000	859	-
<b>Liquidity funds – 3.0% (1.2%)</b>			
JPM Sterling Liquidity 'X' (Income)^\$	47,880,957	47,881	3.0
<b>Investment assets</b>		<b>1,599,962</b>	<b>100.4</b>
<b>Net other liabilities</b>		<b>(5,990)</b>	<b>(0.4)</b>
<b>Net assets</b>		<b>1,593,972</b>	<b>100.0</b>

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

The comparative percentage figures in brackets are at 31 January 2012.

\* Listed on Alternative Investment Market (AIM)

# Unquoted security

† Suspended security

‡ Delisted security

^ Deemed to be investment in related parties of the ACD

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

## Portfolio movements

For the six months ending 31 July 2012

	£'000		£'000
<b>Total of all purchases for the period</b>	<b>403,193</b>	<b>Total of all sales for the period</b>	<b>498,798</b>
<b>Major purchases</b>	<b>Cost</b>	<b>Major sales</b>	<b>Proceeds</b>
JPM Sterling Liquidity 'X' (Income)^	184,444	JPM Sterling Liquidity 'X' (Income)^	163,725
Anadarko Petroleum	38,959	Gulf Keystone Petroleum	22,214
Occidental Petroleum	22,363	Anvil Mining	19,604
First Quantum Minerals	21,409	Petropavlovsk	14,920
Fortescue Metals Group	20,739	ConocoPhillips	14,729
Freeport-McMoRan Copper & Gold	18,321	Kalahari Minerals	13,249
Ivanhoe Mines	14,600	Osisko Mining	9,723
New Zealand Energy	6,689	Cove Energy	9,152
Goldcorp	6,232	China Coal Energy 'H'	8,640
Northern Star Resources	4,799	Kirkland Lake Gold	8,482
Cobalt International Energy	4,697	Detour Gold	8,077
BHP Billiton (GBP)	4,465	Avocet Mining	7,499
Cameco Corporation	4,404	MMC Norilsk Nickel ADR	7,119
Hurricane Explorations	4,388	Premier Oil	6,804
New Gold	4,376	Vale ADR Preference	6,697
Sandfire Resources	4,083	China Petroleum & Chemical 'H'	6,351
Copper Mountain Mining	3,984	Nevsun Resources	6,143
Armour Energy	3,361	Southwestern Energy	5,991
Marengo Mining	3,282	Mount Gibson Iron	5,912
Providence Resources	2,640	Perusahaan Perkebunan London Sumtra	5,878

^ Deemed to be investment in related parties of the ACD

# Financial statements

## Statement of total return

(Unaudited)

For the six months ending 31 July

	2012	2011
	£'000	£'000
Income		
Net capital losses	(531,433)	(105,307)
Revenue	11,905	13,791
Expenses	(15,863)	(22,316)
Net expense before taxation	(3,958)	(8,525)
Taxation	(832)	(1,348)
Net expense after taxation	(4,790)	(9,873)
<b>Total return before distributions</b>	<b>(536,223)</b>	<b>(115,180)</b>
Finance costs: Distributions	140	82
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>(536,083)</b>	<b>(115,098)</b>

## Balance sheet

(Unaudited)

As at

	31 July 2012	31 January 2012
	£'000	£'000
<b>ASSETS</b>		
Investment assets	1,599,962	2,226,955
Debtors	2,985	12,178
Cash and bank balances	510	3,555
<b>Total other assets</b>	<b>3,495</b>	<b>15,733</b>
<b>Total assets</b>	<b>1,603,457</b>	<b>2,242,688</b>
<b>LIABILITIES</b>		
Creditors	(9,485)	(7,913)
<b>Total liabilities</b>	<b>(9,485)</b>	<b>(7,913)</b>
<b>Net assets attributable to shareholders</b>	<b>1,593,972</b>	<b>2,234,775</b>

## Statement of change in net assets attributable to shareholders

(Unaudited)

For the six months ending 31 July

	2012	2011
	£'000	£'000
<b>Opening net assets attributable to shareholders</b>	<b>2,234,775</b>	<b>2,714,479</b>
Amounts receivable on issue of shares	24,646	129,692
Amounts payable on cancellation of shares	(129,199)	(102,189)
	(104,553)	27,503
Change in net assets attributable to shareholders from investment activities (see above)	(536,083)	(115,098)
Stamp duty reserve tax	(167)	(327)
<b>Closing net assets attributable to shareholders</b>	<b>1,593,972</b>	<b>2,626,557</b>

As the comparatives in the above table are for the previous interim period, the net assets at the end of that period will not agree to the net assets at the start of the current period.

# JPM New Europe Fund

## Investment objective and policy

To provide long-term capital growth by investing primarily in companies operating or investing in central and eastern Europe and Russia.

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

The Fund will have exposure to smaller companies.

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

## Risk profile

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

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

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

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

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

The Fund may be concentrated in a limited number of securities, industry sectors or countries and as a result, may be more volatile than more broadly diversified funds.

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

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

## Fund review

The MSCI Eastern Europe Index fell in the period, underperforming the broader MSCI Emerging Markets Index. Performance across the region was very divergent. Turkey rose the most, while the Czech Republic fell the furthest into negative territory.

The Fund outperformed its benchmark in the period, with both stock selection and asset allocation contributing positively to relative returns. Names in Russia, Poland and Turkey contributed positively to relative returns. Off-index positions in Turkmenistan and Kazakhstan also added to relative performance. However, underweight positions in Turkey and Poland detracted.

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).

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

Source: J.P. Morgan.

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

## Fund outlook

We believe emerging market equities are a value opportunity awaiting a catalyst. Long-term measures of value, such as price-to-book value are touching crisis levels. Corporate profitability is under short-term cyclical pressures from slowing growth – a legacy of last year's tightening cycle and weak global environment. This does not make our asset class a value trap though as the long-term fundamentals of profitability – stable margins and low leverage – are intact.

Russia is particularly cheap within both a regional and global context. Our perennial concern is that Russian state-owned energy businesses are value traps as they produce little cashflow and even less makes it back to shareholders in the form of dividends. However, after weak performance, Russia's dividend yield is now above the global emerging market average. Furthermore, one of the leading oil producers has set out a progressive dividend policy leading us to have our smallest underweight position in energy stocks for many years. As ever, there is a lot of political noise, but we are waiting for the medium-term budget to be announced after the summer to give a clearer indication of future policy.

## 12 month performance to 31 July

	2012	2011	2010	2009	2008
<b>JPM New Europe A-Class Acc</b>	<b>-18.1%</b>	<b>8.9%</b>	<b>51.0%</b>	<b>-34.9%</b>	<b>7.8%</b>
<b>JPM New Europe B-Class Acc</b>	<b>-17.7%</b>	<b>9.5%</b>	<b>51.8%</b>	<b>-34.7%</b>	<b>-</b>
Benchmark Index	-19.3%	18.2%	34.3%	-34.2%	3.5%

## Six month performance to 31 July 2012

<b>JPM New Europe A-Class Acc</b>	<b>-0.5%</b>
Benchmark Index	-4.9%

## Fund statistics

Risk and Reward Profile	7
Fund size	£188.0m
Benchmark Index	<b>MSCI Emerging Markets Europe Index (Net)</b>
Fund charges	
A-Class	<b>Initial 4.25%, Annual 1.50%</b>
B-Class	<b>Initial Nil, Annual 1.00%</b>

## Top ten holdings (excluding Liquidity funds) %

Lukoil ADR	9.4
Sberbank	8.5
Turkiye Garanti Bankasi	4.5
Novatek GDR	4.2
JPMorgan Russian Securities <sup>^</sup>	3.8
Mobile Telesystems	3.7
AO Tatneft ADS	3.6
Powszechna Kasa Oszczednosci Bank Polski	3.6
Gazprom ADR	3.6
Turkiye Is Bankasi 'C'	3.3

<sup>^</sup> Deemed to be investment in related parties of the ACD

## Geographical breakdown %

Russia	58.6
Turkey	17.3
Poland	9.8
Kazakhstan	3.5
Turkmenistan	3.2
Hungary	1.6
Czech Republic	1.6
Sweden	1.2
Liquidity funds	0.6
Net other assets	2.6

## Highest/lowest share price and distribution record

Calendar year	Highest share price	Lowest share price	Distribution per share (net)
<b>A-Class Accumulation Shares</b>			
2007	239.6p	154.6p	0.90p
2008	258.9p	74.00p	1.32p
2009	185.1p	74.22p	2.16p
2010	241.2p	183.2p	0.14p
2011	250.2p	155.9p	0.00p
2012 <sup>a</sup>	204.3p	162.0p	1.51p
<b>A-Class Income Shares<sup>b</sup></b>			
2007	62.97p	49.31p	-
2008	68.04p	19.45p	0.00p
2009	47.43p	18.90p	0.55p
2010	61.77p	46.92p	0.04p
2011	64.08p	39.93p	0.00p
2012 <sup>a</sup>	51.23p	40.64p	0.98p
<b>B-Class Accumulation Shares<sup>c</sup></b>			
2008	123.9p	35.51p	0.00p
2009	89.34p	35.67p	1.33p
2010	117.1p	88.50p	0.43p
2011	121.4p	75.96p	0.37p
2012 <sup>a</sup>	99.77p	79.21p	1.26p

<sup>a</sup> To 31 July 2012.

<sup>b</sup> A-Class Income Shares were launched on 1 September 2007.

<sup>c</sup> B-Class Accumulation Shares were launched on 22 January 2008.

## Portfolio turnover rate

31.01.12	50.1%
31.07.12	41.4%

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

## Net asset values and Ongoing charges

Date	Net asset value per share class £'000	Number of shares	Net asset value per share	Ongoing charges
<b>A-Class Accumulation Shares</b>				
31.01.10	218,852	115,642,873	189.3p	1.68%
31.01.11	280,785	121,422,746	231.3p	1.67%
31.01.12	189,446	102,229,669	185.3p	1.68%
31.07.12	181,733	98,548,243	184.4p	1.68%
<b>A-Class Income Shares</b>				
31.01.10 <sup>p</sup>	1,551	3,199,709	48.46p	1.68%
31.01.11 <sup>p</sup>	2,666	4,502,227	59.22p	1.67%
31.01.12 <sup>p</sup>	2,121	4,564,105	46.48p	1.68%
31.07.12	2,008	4,341,073	46.26p	1.68%
<b>B-Class Accumulation Shares</b>				
31.01.10	2,133	2,334,456	91.40p	1.15%
31.01.11	8,994	8,009,990	112.3p	1.14%
31.01.12	4,973	5,497,662	90.45p	1.15%
31.07.12	4,217	4,672,766	90.25p	1.15%

<sup>p</sup> The net asset value and the net asset value per income share are shown ex-dividend at the financial year end.

Following the adoption of the requirements of the UCITS IV in June 2012, Ongoing charges has replaced the Total expense ratio (TER). The Ongoing charges takes into account the ACD fee and any fixed 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 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 31 July 2012

Investment	Holding	Market value £'000	Total net assets %
<b>Russia - 58.6% (61.4%)</b>			
Alliance Oil SDR	328,200	1,943	1.0
AO Tatneft ADS	276,986	6,776	3.6
Cherkizovo Group GDR	216,748	1,412	0.8
CTC Media	483,173	2,329	1.2
DIXY Group	312,289	2,141	1.1
EurAsia Drilling Company GDR	112,767	2,023	1.1
Gazprom ADR	1,102,900	6,676	3.6
JPMorgan Russian Securities <sup>^</sup>	1,434,049	7,102	3.8
Lukoil ADR	487,750	17,725	9.4
Magnit GDR	217,519	4,545	2.4
Magnitogorsk Iron & Steel Works GDR	731,772	1,743	0.9
Mechel ADR Preference	541,018	849	0.5
Mechel Preference	240,697	730	0.4
MMC Norilsk Nickel ADR	458,251	4,613	2.5
Mobile Telesystems	562,531	2,707	1.4
Mobile Telesystems ADR	355,239	4,333	2.3
Mostotrest	755,347	2,665	1.4
Novatek GDR	106,700	7,884	4.2
Novolipetsk Iron and Steel GDS	292,732	3,147	1.7
OAO Severstal GDR	241,200	1,713	0.9
Ros Agro GDR	277,000	1,236	0.7
Sberbank	3,196,127	5,724	3.1
Sberbank ADR	1,420,725	10,208	5.4
Sistema GDR	288,583	3,947	2.1
Uralkali GDR	125,200	3,400	1.8
X5 Retail Group GDR	199,700	2,527	1.3
<b>Turkey - 17.3% (13.0%)</b>			
Bim Birlesik Magazalar	52,400	1,469	0.8
Sisecam	1,012,603	931	0.5
TAV Havalimanlari	436,600	1,556	0.8
Tofas Turk Otomobil	361,100	1,069	0.6
Turkcell Iletisim Hizmetleri	586,400	2,123	1.1
Turkiye Garanti Bankasi	3,342,936	8,401	4.5
Turkiye Halk Bankasi	365,600	1,985	1.1
Turkiye Is Bankasi 'C'	3,418,500	6,261	3.3
Turkiye Petrol Rafinerileri	369,361	5,244	2.8
Yapi ve Kredi Bankasi	2,579,203	3,433	1.8
<b>Poland - 9.8% (13.5%)</b>			
Eurocash	171,200	1,269	0.7
Kernel	195,400	2,545	1.4
KGHM Polska Miedz	177,200	4,271	2.3
Powszechna Kasa Oszczednosci Bank Polski	1,087,601	6,761	3.6
Powszechny Zaklad Ubezpieczen	50,546	3,399	1.8
<b>Kazakhstan - 3.5% (3.8%)</b>			
Kazmunaigas Exploration Production GDR	381,200	4,326	2.3
Steppe Cement	846,262	228	0.1
Zhaikmunai L.P. GDR	380,959	1,945	1.1
<b>Turkmenistan - 3.2% (3.5%)</b>			
Dragon Oil	1,064,864	6,075	3.2
<b>Hungary - 1.6% (0.0%)</b>			
OTP Bank	311,200	3,090	1.6
<b>Czech Republic - 1.6% (3.1%)</b>			
CEZ	20,924	454	0.2
Telefonica O2 Czech Republic	210,918	2,548	1.4
<b>Sweden - 1.2% (1.0%)</b>			
Oriflame Cosmetics SDR	97,351	2,319	1.2
<b>Liquidity funds - 0.6% (1.2%)</b>			
JPM Sterling Liquidity 'X' (Income) <sup>^</sup> <sup>§</sup>	1,200,517	1,201	0.6
<b>Investment assets</b>		<b>183,001</b>	<b>97.4</b>
<b>Net other assets</b>		<b>4,957</b>	<b>2.6</b>
<b>Net assets</b>		<b>187,958</b>	<b>100.0</b>

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

The comparative percentage figures in brackets are at 31 January 2012.

<sup>^</sup> Deemed to be investment in related parties of the ACD

<sup>§</sup> Approved security as defined in the Collective Investment Schemes sourcebook

## Portfolio movements

For the six months ending 31 July 2012

	£'000		£'000
<b>Total of all purchases for the period</b>	<b>76,045</b>	<b>Total of all sales for the period</b>	<b>85,826</b>
<b>Major Purchases</b>	<b>Cost</b>	<b>Major Sales</b>	<b>Proceeds</b>
JPM Sterling Liquidity 'X' (Income)^	29,608	JPM Sterling Liquidity 'X' (Income)^	30,708
Türkiye İş Bankası 'C'	5,099	Magnit GDR	8,153
X5 Retail Group GDR	4,261	X5 Retail Group GDR	5,218
Yapı ve Kredi Bankası	3,280	Türkiye Halk Bankası	4,893
Novatek GDR	3,219	Yapı ve Kredi Bankası	3,585
Uralkali GDR	3,189	Telekomunikacja Polska	3,064
Lukoil ADR	3,121	AO Tatneft ADS	3,044
Gazprom ADR	3,118	Powszechny Zakład Ubezpieczeń	3,036
OTP Bank	2,953	Sistema GDR	2,920
KGHM Polska Miedz	2,710	Bank Pekao	2,129
MMC Norilsk Nickel ADR	2,126	CEZ	2,099
Türkcell İletişim Hizmetleri	2,093	KGHM Polska Miedz	2,068
Rosneft GDR	2,055	Magnitogorsk Iron & Steel Works GDR	2,040
Türkiye Halk Bankası	1,889	Lukoil ADR	1,969
Alliance Oil SDR	1,854	Rosneft GDR	1,817
OAQ Severstal GDR	1,785	Mobile Telesystems ADR	1,668
Türk Telekomunikasyon	1,086	Dragon Oil	1,522
Tofas Türk Otomobil	969	Türkiye Garanti Bankası	1,346
Sisecam	965	Sberbank	1,003
Mechel ADR Preference	665	EurAsia Drilling Company GDR	993

^ Deemed to be investment in related parties of the ACD

# Financial statements

## Statement of total return

(Unaudited)

For the six months ending 31 July

	2012	2011
	£'000	£'000
Income		
Net capital losses	(4,786)	(10,018)
Revenue	6,102	4,781
Expenses	(1,596)	(2,387)
Net revenue before taxation	4,506	2,394
Taxation	(824)	(627)
Net revenue after taxation	3,682	1,767
<b>Total return before distributions</b>	<b>(1,104)</b>	<b>(8,251)</b>
Finance costs: Distributions	5	(75)
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>(1,099)</b>	<b>(8,326)</b>

## Balance sheet

(Unaudited)

As at

	31 July 2012	31 January 2012
	£'000	£'000
<b>ASSETS</b>		
Investment assets	183,001	197,458
Debtors	4,521	16
Cash and bank balances	928	208
<b>Total other assets</b>	<b>5,449</b>	<b>224</b>
<b>Total assets</b>	<b>188,450</b>	<b>197,682</b>
<b>LIABILITIES</b>		
Creditors	(492)	(1,097)
Distribution payable on income shares	-	(45)
<b>Total liabilities</b>	<b>(492)</b>	<b>(1,142)</b>
<b>Net assets attributable to shareholders</b>	<b>187,958</b>	<b>196,540</b>

## Statement of change in net assets attributable to shareholders

(Unaudited)

For the six months ending 31 July

	2012	2011
	£'000	£'000
<b>Opening net assets attributable to shareholders</b>	<b>196,540</b>	<b>292,445</b>
Amounts receivable on issue of shares	8,609	15,295
Amounts payable on cancellation of shares	(16,088)	(21,732)
	(7,479)	(6,437)
Change in net assets attributable to shareholders from investment activities (see above)	(1,099)	(8,326)
Stamp duty reserve tax	(4)	(10)
<b>Closing net assets attributable to shareholders</b>	<b>187,958</b>	<b>277,672</b>

As the comparatives in the above table are for the previous interim period, the net assets at the end of that period will not agree to the net assets at the start of the current period.

# JPM Sterling Corporate Bond Fund

## Investment objective and policy

The Fund's investment objective is to maximise total returns by investing primarily in high quality Sterling denominated Bonds (or other Bonds hedged back to Sterling).

The Fund's investment policy will focus on Investment Grade corporate issues. The Fund may also invest in Below-Investment Grade securities, including corporate and Emerging Market Bonds when the Investment Adviser believes these offer significant opportunities. **The Fund may use Financial Derivative Instruments (derivatives) for investment purposes or Efficient Portfolio Management including hedging, where appropriate.** As a result of the use of Financial Derivative Instruments, the net exposure of the Fund will typically be in a range of 100% to 200% of the Net Asset Value of the Fund.

Although most of the non-Sterling securities will be hedged back to Sterling, the Investment Adviser will also use opportunities in the foreign exchange market to maximise returns.

## Risk profile

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

Bond funds may not behave like direct investments in the underlying Bonds themselves. By investing in Bond funds, the certainty of receiving a regular fixed amount of income for a defined period of time with the prospect of a future known return of capital is lost.

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

Bonds and other Debt Securities with a lower credit rating may have a higher risk of defaulting which may in turn have an adverse effect on the performance of Funds which invest in them.

The Fund may use Financial Derivative Instruments (derivatives) and/or forward transactions for investment purposes. The value of derivatives can be volatile. This is because a small movement in the value of the underlying asset can cause a large movement in the value of the derivative and therefore, investment in derivatives may result in losses in excess of the amount invested by the Fund.

As a result of the use of Financial Derivatives Instruments, the Fund's net exposure will typically be in a range of 100% to 200% of the Net Asset Value of the Fund, potentially increasing the volatility and therefore risk of the Fund. In a rising market, this may enhance investment returns but if a market falls, losses may be greater.

Bond funds will normally distribute a combination of Coupon and the expected discount/premium on the securities. Therefore, a Fund's distribution will comprise income received and an element of projected capital gains or losses. This could result in an element of capital gain being taxed as income in the hands of an investor.

To the extent that any underlying assets of the Fund are denominated in a currency other than Sterling and are not hedged back to Sterling, movements in currency exchange rates can adversely affect the return of your investment. The currency hedging that may be used to minimise the effect of currency fluctuations may not always be successful.

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).

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

<sup>a</sup> The launch of this share class occurred less than 12 months ago and as a result no performance return is reported.

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

## Fund review

After the strong performance of risk assets in the first quarter of 2012, April and May saw markets turn more cautious as investors began to reassess the outlook for the major economies. Further quantitative easing by the Bank of England saw stocks rise modestly, but the most significant development came out of Frankfurt. The European Central Bank announced that it would cut its deposit rate to 0% (from 0.25%), triggering investors to move from cash markets into corporate bonds, in sterling as well as euros. This dash for yield within the sterling market was met, as usual, with a complete lack of supply from market makers as liquidity conditions worsened.

The market was helped further by a whole raft of poor economic data coming out of the UK, the most notable being a 0.7% fall in economic growth in the second quarter. Paradoxically, this led to investors seeking higher yielding, lower quality issues as it became apparent that interest rates here were set to stay lower for longer. An absence of sellers, coupled with a paucity of new issues saw spreads tighten sharply throughout the month.

## Fund outlook

We have adopted a distinctly more cautious stance so far in 2012. We believe any meaningful economic recovery could be some time off and for this reason we continue to maintain a cautious stance with regard to credit quality. We maintain an underweight position in financial issues, largely as a result of holding no French, Spanish or Italian banks. We added to our exposure to defensive sectors such as utilities, telecoms and food retailers. We increased the duration of the Fund from 6.4 years at the start of the period to around seven at the end of July.

## 12 month performance to 31 July

	2012	2011	2010	2009	2008
<b>JPM Sterling Corporate Bond A-Class Acc</b>	<b>10.1%</b>	<b>6.0%</b>	<b>11.8%</b>	<b>-4.4%</b>	<b>-8.9%</b>
<b>JPM Sterling Corporate Bond C-Class Inc<sup>A</sup></b>	-	-	-	-	-
<b>JPM Sterling Corporate Bond I-Class Acc</b>	<b>10.7%</b>	<b>6.6%</b>	<b>12.5%</b>	<b>-3.9%</b>	<b>-8.4%</b>
Benchmark Index	10.8%	7.6%	15.1%	2.1%	1.1%

## Six month performance to 31 July 2012

<b>JPM Sterling Corporate Bond A-Class Acc</b>	<b>6.1%</b>
Benchmark Index	7.4%

## Fund statistics

Risk and Reward Profile	4
Fund size	£138.3m
Benchmark Index	Barclays Aggregate Corporate Index in GBP
Fund charges	
A-Class	Initial 3.50%, Annual 1.00%
C-Class	Initial Nil, Annual 0.50%
I-Class	Initial Nil, Annual 0.40%

## Top ten holdings (excluding Liquidity funds) %

General Electric Capital UK 4.125% 2017	3.1
HSBC Capital Funding 8.208% FRN Perpetual	3.1
European Investment Bank 2.25% 2015	3.0
Volkswagen Financial Services 2% 2015	2.6
National Grid Electricity 5.875% FRN 2024	1.8
RWE Finance 5.625% 2023	1.8
Imperial Tobacco Finance 5.5% 2026	1.7
London Power Networks 5.125% 2023	1.7
Southern Gas Network 4.875% 2023	1.7
BP Capital Markets 4.325% 2018	1.6

## Sector breakdown %

Corporate debt	96.7
Liquidity funds	4.3
Government stock	0.2
Forward currency contracts	0.0
Futures	0.0
Net other liabilities	(1.2)

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
<b>A-Class Accumulation Shares</b>			
2007	65.69p	61.69p	2.35p
2008	63.32p	51.25p	2.37p
2009	59.04p	49.70p	2.04p
2010	64.21p	58.11p	2.29p
2011	65.75p	61.20p	2.28p
2012 <sup>b</sup>	71.34p	65.52p	1.39p
<b>A-Class Income Shares</b>			
2007	53.97p	49.43p	1.93p
2008	50.52p	39.21p	1.86p
2009	43.58p	37.63p	1.54p
2010	45.95p	42.37p	1.66p
2011	45.04p	43.07p	1.60p
2012 <sup>b</sup>	48.11p	44.82p	0.94p
<b>C-Class Income Shares<sup>c</sup></b>			
2011	102.1p	98.58p	1.34p
2012 <sup>b</sup>	109.1p	101.6p	2.48p
<b>C-Class Gross Income Shares<sup>d</sup></b>			
2011	100.4p	100.0p	-
2012 <sup>b</sup>	108.5p	100.3p	2.35p
<b>I-Class Accumulation Shares</b>			
2007	114.0p	107.4p	4.70p
2008	110.5p	89.88p	4.79p
2009	104.2p	87.36p	4.15p
2010	113.9p	102.7p	4.72p
2011	117.4p	108.7p	4.77p
2012 <sup>b</sup>	128.0p	117.1p	3.05p
<b>I-Class Gross Accumulation Shares<sup>e</sup></b>			
2011	103.5p	98.78p	1.66p
2012 <sup>b</sup>	113.3p	103.3p	3.35p
<b>I-Class Income Shares</b>			
2007	102.7p	94.05p	4.23p
2008	96.16p	74.54p	4.09p
2009	82.94p	71.57p	3.37p
2010	87.43p	80.58p	3.71p
2011	85.71p	81.90p	3.54p
2012 <sup>b</sup>	91.60p	85.31p	2.20p

<sup>a</sup> To 31 July 2012.

<sup>c</sup> C-Class Income Shares were launched on 14 June 2011.

<sup>d</sup> C-Class Gross Income Shares were launched on 28 December 2011.

<sup>e</sup> I-Class Gross Accumulation Shares were launched on 21 June 2011.

## Portfolio turnover rate

31.01.12	412.9%
31.07.12	138.3%

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

## Net asset values and Ongoing charges

Date	Net asset value per share class £'000	Number of shares	Net asset value per share	Ongoing charges
<b>A-Class Accumulation Shares</b>				
31.01.10	26,254	44,426,721	59.10p	1.18%
31.01.11	24,922	40,739,572	61.17p	1.18%
31.01.12	35,834	54,023,456	66.33p	1.17%
31.07.12	43,569	61,516,411	70.82p	1.18%
<b>A-Class Income Shares</b>				
31.01.10	30,227	70,141,256	43.09p	1.18%
31.01.11	27,454	63,911,209	42.96p	1.18%
31.01.12	33,962	75,422,034	45.03p	1.17%
31.07.12	38,952	82,065,542	47.46p	1.18%
<b>C-Class Income Shares</b>				
31.01.12	11,650	11,414,874	102.1p	0.62%
31.07.12	16,345	15,196,940	107.6p	0.62%
<b>C-Class Gross Income Shares</b>				
31.01.12	2,607	2,573,668	101.4p	0.62%
31.07.12	19,126	17,916,212	106.8p	0.62%
<b>I-Class Accumulation Shares</b>				
31.01.10	5	5,000	104.4p	0.40%
31.01.11	5	5,000	108.7p	0.40%
31.01.12	6	5,000	118.6p	0.40%
31.07.12	6	4,500	127.1p	0.40%
<b>I-Class Gross Accumulation Shares</b>				
31.01.12	5	5,000	104.7p	0.40%
31.07.12	5	5,000	112.5p	0.40%
<b>I-Class Income Shares</b>				
31.01.10	6	7,000	81.92p	0.40%
31.01.11	5	6,000	81.67p	0.40%
31.01.12	8,621	10,069,143	85.62p	0.40%
31.07.12	20,290	22,480,150	90.26p	0.40%

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

Following the adoption of the requirements of UCITS IV in June 2012, Ongoing charges has replaced the Total expense ratio (TER). The Ongoing charges takes into account the ACD fee and any fixed 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 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 31 July 2012

Investment	Holding	Market value £'000	Total net assets %	Investment	Holding	Market value £'000	Total net assets %
<b>Corporate debt - 96.7% (93.5%)</b>				<b>RSA Insurance Group 9.375% 2039</b>			
ABN Amro Bank 4.875% 2019	£1,000,000	1,074	0.8	RWE Finance 5.625% 2023	£2,000,000	2,427	1.8
Aegon 6.625% 2039	£1,500,000	1,637	1.2	RWE Finance 6.125% 2039	£1,000,000	1,283	0.9
Ahold Finance 6.5% 2017	£1,000,000	1,160	0.8	Scotland Gas Network 4.75% 2017	£1,000,000	1,108	0.8
America Movil 5.75% 2030	£250,000	310	0.2	Service Corporation International 7% 2019	£450,000	312	0.2
American Express Credit 5.375% 2014	£150,000	161	0.1	Southern Gas Network 4.875% 2023	£2,000,000	2,278	1.7
Anglian Water 4.5% 2027	£1,500,000	1,665	1.2	Sprint Capital 8.75% 2032	£500,000	313	0.2
Anheuser-Busch InBev 6.5% 2017	£1,500,000	1,815	1.3	Standard Chartered 7.75% 2018	£250,000	294	0.2
Annington Finance No.4 0% 2023	£1,000,000	604	0.4	Standard Life 6.546% FRN Perpetual	£1,000,000	857	0.6
AT&T 5.5% 2027	£1,500,000	1,837	1.3	Statoil 6.875% 2031	£1,500,000	2,218	1.6
BA Credit Card Trust 5.525% FRN 2016	£440,000	449	0.3	Svenska Handelsbanken 4% 2019	£1,050,000	1,142	0.8
BAA 7.125% 2017	£1,750,000	1,792	1.3	Svenska Handelsbanken 5.375% Perpetual	£565,000	566	0.4
BAA Funding 6.75% 2028	£1,000,000	1,295	0.9	Tesco 5% 2014	£1,000,000	1,059	0.8
Bank of America 5.5% 2019	£1,000,000	1,067	0.8	Tesco 6.125% 2022	£1,000,000	1,213	0.9
Bank of Scotland 9.375% 2021	£250,000	258	0.2	Tesco 6% 2029	£1,500,000	1,850	1.3
Barclays Bank 10% 2021	£2,000,000	2,250	1.6	Tesco Property Finance 5.744% 2040	£49,736	55	-
BAT International Finance 7.25% 2024	£1,500,000	2,049	1.5	Thames Water 'A' 4.375% 2034	£1,500,000	1,604	1.2
Biomet 10.375% 2017	£500,000	341	0.3	Time Warner Cable 5.75% 2031	£1,500,000	1,764	1.3
BMW Finance 3.375% 2018	£2,000,000	2,138	1.6	TOTAL S.A. Capital 3.875% 2018	£1,500,000	1,703	1.2
BP Capital Markets 4.325% 2018	£2,000,000	2,272	1.6	UBS 5.24% FRN 2021	£1,500,000	1,451	1.1
British Telecommunications 7.5% FRN 2016	£1,000,000	1,255	0.9	Unilever 4% 2014	£1,500,000	1,614	1.2
Carlsberg 7.25% FRN 2016	£750,000	901	0.7	UPM-Kymmene 6.625% 2017	£500,000	515	0.4
Carrefour 5.375% 2012	£750,000	760	0.6	US Oncology Action Escrow 9.125% 2017	£200,000	2	-
Centrica 4.375% 2029	£1,500,000	1,647	1.2	Valeant Pharmaceuticals 7.25% 2022	£250,000	164	0.1
Citigroup 5.125% 2018	£1,000,000	1,013	0.7	Virgin Media Secured Finance 5.5% SNR 2021	£750,000	806	0.6
Comcast 5.5% 2029	£1,500,000	1,834	1.3	Vodafone Group 4.625% 2014	£2,000,000	2,147	1.6
Compagnie de Saint-Gobain 5.625% 2024	£1,000,000	1,161	0.8	Vodafone Group 5.375% 2017	£1,000,000	1,166	0.8
Constellation Brands 7.25% 2016	£450,000	328	0.2	Volkswagen Financial Services 2% 2015	£3,500,000	3,595	2.6
Continental Gummi Finance 7.125% 2018	£205,000	172	0.1	Wal-Mart Stores 5.25% 2035	£1,000,000	1,250	0.9
Corrections Corporation of America 7.75% 2017	£450,000	311	0.2	Wells Fargo 5.25% 2023	£250,000	286	0.2
Daimler Finance 3.5% 2019	£250,000	267	0.2	Yorkshire Water Services Finance 3.625% 2029	£1,000,000	1,003	0.7
Dish DBS 7.125% 2016	£500,000	351	0.3	<b>Government stock - 0.2% (0.2%)</b>			
E.ON International Finance 6.75% 2039	£1,000,000	1,414	1.0	Mexico 6.75% 2024	£200,000	240	0.2
Eastern Power Networks 4.75% 2021	£1,000,000	1,126	0.8	<b>Forward currency contracts - (0.0%) (0.0%)</b>			
EDF Energy Networks 5.5% 2026	£1,500,000	1,809	1.3	<b>Euro</b>			
European Investment Bank 2.25% 2015	£4,000,000	4,127	3.0	Sell €152,505 buy €123,171 dated 14/08/12		4	-
FCE Bank 5.125% 2015	£1,000,000	1,064	0.8	<b>US Dollar</b>			
FCE Bank 4.825% 2017	£1,000,000	1,053	0.8	Sell \$5,223,138 buy £3,361,395 dated 14/08/12		31	-
France Telecom 5% 2016	£1,000,000	1,104	0.8	<b>Futures - 0.0% (0.0%)</b>			
Gatwick Funding 5.25% 2024	£1,000,000	1,085	0.8	Euro BOBL Futures Sep 2012	(2)	(1)	-
GDF Suez 6.125% 2021	£1,500,000	1,844	1.3	Long Gilt Futures Sep 2012	5	15	-
General Electric Capital UK 4.125% 2017	£4,000,000	4,328	3.1	US 5 Year Note Futures Sep 2012	(34)	(22)	-
GlaxoSmithKline Capital 5.25% 2033	£1,500,000	1,900	1.4	US 10 Year Note Futures Sep 2012	(17)	(22)	-
Goldman Sachs Group 5.25% 2015	£2,000,000	2,125	1.5	US Long Bond Futures Sep 2012	4	10	-
Goldman Sachs Group 5.5% 2021	£1,000,000	944	0.7	<b>Liquidity funds - 4.3% (4.8%)</b>			
Great Rolling Stock 6.5% 2031	£1,500,000	1,832	1.3	JPM Sterling Liquidity 'X' (Income)^\$	6,004,421	6,004	4.3
Hammerson 6.875% FRN 2020	£1,000,000	1,230	0.9	<b>Investment assets (including investment liabilities) 139,997 101.2</b>			
Health Management Associates 6.125% 2016	£500,000	343	0.3	<b>Net other liabilities (1,704) (1.2)</b>			
Host Marriott 'Q' 6.75% 2016	£450,000	295	0.2	<b>Net assets 138,293 100.0</b>			
HSBC 6% 2040	£2,000,000	2,007	1.5	Unless otherwise stated the above securities are admitted to official stock exchange listings or trade on a regulated market.			
HSBC Capital Funding 8.208% FRN Perpetual	£4,000,000	4,213	3.1	The comparative percentage figures in brackets are at 31 January 2012.			
Hutchison Whampoa Finance 5.625% 2026	£1,000,000	1,220	0.9	^ Deemed to be investment in related parties of the ACD			
Imperial Tobacco Finance 9% 2022	£1,000,000	1,442	1.0	\$ Approved security as defined in the Collective Investment Schemes sourcebook			
Imperial Tobacco Finance 5.5% 2026	£2,000,000	2,387	1.7				
Intelsat Jackson 7.25% 2020	£450,000	306	0.2				
Jarden 7.5% 2017	£450,000	324	0.2				
Johnson & Johnson 5.5% 2024	£1,000,000	1,316	1.0				
Land Securities Capital Markets 5.391% 2026	£1,000,000	1,192	0.9				
Legal & General Finance 5.875% 2033	£1,000,000	1,135	0.8				
Linde Finance 6.5% 2016	£1,000,000	1,180	0.9				
Lloyds Banking Group 6.75% 2018	£250,000	291	0.2				
Lloyds Banking Group 10.75% 2021	£2,000,000	2,132	1.5				
London Power Networks 5.125% 2023	£2,000,000	2,335	1.7				
Munich Re FRN 2042	£700,000	726	0.5				
National Australia Bank 3.625% 2017	£250,000	266	0.2				
National Grid Electricity 5.875% FRN 2024	£2,000,000	2,512	1.8				
National Westminster Bank 7.875% 2015	£500,000	521	0.4				
Northumbrian Water Finance 5.125% 2042	£200,000	225	0.2				
Petrobras International Finance 6.25% 2026	£1,000,000	1,074	0.8				
Pfizer 6.5% 2038	£1,500,000	2,171	1.6				
Porterbrook Rail Finance 5.5% 2019	£1,500,000	1,698	1.2				
Prudential 3.375% 2013	£1,000,000	1,009	0.7				
Prudential 11.375% FRN 2039	£1,000,000	1,298	0.9				
Roche 5.5% 2015	£1,000,000	1,116	0.8				
Roche Finance 5.375% 2023	£500,000	641	0.5				

## Portfolio statement – continued

As at 31 July 2012

Investment	Market value Holding £'000	Total net assets %
AAA		5,443
AA		4,145
AA-		6,491
A+		11,822
A		13,301
A-		38,975
BBB+		23,743
BBB		16,904
BBB-		7,285
BB+		934
BB		515
BB-		2,970
B+		477
B		324
B-		647
Unrated		2
<b>Total bonds</b>		<b>133,978</b>
Forward currency contracts		35
Futures		(20)
Liquidity funds		6,004
<b>Investment assets (including investment liabilities)</b>		<b>139,997</b>

# Portfolio movements

For the six months ending 31 July 2012

	£'000		£'000
<b>Total of all purchases for the period</b>	<b>195,533</b>	<b>Total of all sales for the period</b>	<b>152,819</b>
<b>Major purchases</b>	<b>Cost</b>	<b>Major sales</b>	<b>Proceeds</b>
JPM Sterling Liquidity 'X' (Income)^	73,895	JPM Sterling Liquidity 'X' (Income)^	72,360
Johnson & Johnson 5.5% 2024	5,648	Johnson & Johnson 5.5% 2024	5,759
E.ON International Finance 6.75% 2039	5,332	E.ON International Finance 6.75% 2039	4,804
European Investment Bank 2.25% 2015	4,855	European Investment Bank 2.25% 2015	3,303
General Electric Capital UK 4.125% 2017	4,253	RWE Finance 6.125% 2039	2,509
Volkswagen Financial Services 2% 2015	3,562	AT&T 5.5% 2027	2,344
Centrica 4.375% 2029	3,549	Morrison (Wm.) Supermarkets 4.625% 2023	2,166
Tesco 6% 2029	3,489	Bank of America 7% 2028	2,139
Anglian Water 4.5% 2027	3,035	Barclays Bank 14% FRN Perpetual	2,087
RWE Finance 6.125% 2039	2,953	Direct Line Insurance 9.25% 2042	2,069
Lloyds Banking Group 10.75% 2021	2,944	Centrica 4.375% 2029	2,054
EDF Energy Networks 5.5% 2026	2,823	Wal-Mart Stores 5.25% 2035	1,821
HSBC Capital Funding 8.208% FRN Perpetual	2,641	Tesco 6% 2029	1,768
RWE Finance 5.625% 2023	2,468	Santander Finance 11.3% FRN Perpetual	1,728
National Grid Electricity 5.875% FRN 2024	2,415	Citigroup 5.125% 2018	1,692
AT&T 5.5% 2027	2,308	Eversholt Funding 6.359% 2025	1,692
BP Capital Markets 4.325% 2018	2,284	Royal Bank of Scotland 7.5% 2024	1,671
Barclays Bank 10% 2021	2,264	Lloyds Banking Group 7.5% 2024	1,670
TOTAL S.A. Capital 3.875% 2018	2,168	Societe Generale 5% 2018	1,516
Pfizer 6.5% 2038	2,052	Anglian Water 4.5% 2027	1,463

^ Deemed to be investment in related parties of the ACD

# Financial statements

## Statement of total return

(Unaudited)

For the six months ending 31 July

	2012	2011
	£'000	£'000
Income		
Net capital gains	6,243	1,734
Revenue	2,581	1,546
Expenses	(562)	(266)
Net revenue before taxation	2,019	1,280
Taxation	-	-
Net revenue after taxation	2,019	1,280
<b>Total return before distributions</b>	<b>8,262</b>	<b>3,014</b>
Finance costs: Distributions	(2,012)	(1,280)
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>6,250</b>	<b>1,734</b>

## Statement of change in net assets attributable to shareholders

(Unaudited)

For the six months ending 31 July

	2012	2011
	£'000	£'000
<b>Opening net assets attributable to shareholders</b>	<b>92,685</b>	<b>52,386</b>
Amounts receivable on issue of shares	45,280	11,631
Amounts payable on cancellation of shares	(6,461)	(3,054)
	38,819	8,577
Change in net assets attributable to shareholders from investment activities (see above)	6,250	1,734
Retained distributions on accumulation shares	539	513
Unclaimed distributions	-	1
<b>Closing net assets attributable to shareholders</b>	<b>138,293</b>	<b>63,211</b>

As the comparatives in the above table are for the previous interim period, the net assets at the end of that period will not agree to the net assets at the start of the current period.

## Balance sheet

(Unaudited)

As at

	31 July 2012	31 January 2012
	£'000	£'000
<b>ASSETS</b>		
Investment assets	140,042	91,341
Debtors	9,029	8,093
Cash and bank balances	285	372
<b>Total other assets</b>	<b>9,314</b>	<b>8,465</b>
<b>Total assets</b>	<b>149,356</b>	<b>99,806</b>
<b>LIABILITIES</b>		
Investment liabilities	(45)	(64)
Creditors	(10,338)	(6,609)
Distribution payable on income shares	(680)	(448)
<b>Total other liabilities</b>	<b>(11,018)</b>	<b>(7,057)</b>
<b>Total liabilities</b>	<b>(11,063)</b>	<b>(7,121)</b>
<b>Net assets attributable to shareholders</b>	<b>138,293</b>	<b>92,685</b>

# JPM Strategic Bond Fund

## Investment objective and policy

To maximise returns by investing primarily in a global portfolio of fixed and floating rate Debt Securities.

In the fund manager's view, maximising returns means generating higher returns than those available from money market instruments denominated in Sterling.

The Fund may invest in developed and Emerging Market countries and hold Investment Grade, Below-Investment Grade and Unrated Bonds. The Fund may have a concentrated portfolio and may have a significant exposure to any one country, sector or issuer, which may include Emerging Markets and Below-Investment Grade or Unrated Bonds, at any time. Allocations between countries, sectors and ratings of Bonds may vary significantly at any time.

**The Fund may use Financial Derivative Instruments (derivatives) for investment purposes or Efficient Portfolio Management including hedging, where appropriate.** As a result of the use of Financial Derivative Instruments, the net exposure of the Fund will typically be in a range of 100% to 200% of the Net Asset Value of the Fund.

The Fund is also permitted to invest up to 100% in government and public securities (see section 3.11(e) of the Prospectus). The Fund's assets will be primarily either denominated in Sterling or hedged back to Sterling.

## Risk profile

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

Positive returns are not guaranteed and the Fund should not be used as a substitute for traditional liquidity funds or cash accounts.

Bond funds may not behave like direct investments in the underlying Bonds themselves. By investing in Bond funds, the certainty of receiving a regular fixed amount of income for a defined period of time with the prospect of a future known return of capital is lost.

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

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

Bonds and other Debt Securities with a lower credit rating may have a higher risk of defaulting which may in turn have an adverse effect on the performance of Funds which invest in them.

The Fund may use Financial Derivative Instruments (derivatives) and/or forward transactions for investment purposes. The value of derivatives can be volatile. This is because a small movement in the value of the underlying asset can cause a large movement in the value of the derivative and therefore, investment in derivatives may result in losses in excess of the amount invested by the Fund.

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).

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

Source: J.P. Morgan.

<sup>†</sup> The launch of this share class occurred less than 12 months ago and as a result no performance return is reported.

<sup>‡</sup> On 11/06/12 the benchmark for the Fund was changed from BofA Merrill Lynch GBP Broad Market Index to BBA Overnight GBP LIBOR.

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

As a result of the use of Financial Derivative Instruments, the Fund's net exposure will typically be in a range of 100% to 200% of the Net Asset Value of the Fund, potentially increasing the volatility and therefore risk of the Fund. In a rising market, this may enhance investment returns but if a market falls, losses may be greater.

The possible loss from taking a Short Position on a security (using Financial Derivative Instruments) may be unlimited as there is no restriction on the price to which a security may rise. The Short Selling of investments may be subject to changes in regulations, which could adversely impact returns to investors.

The Fund may have a significant exposure to Asset and Mortgage Backed Securities (ABS and MBS). ABS / MBS may be difficult to sell, subject to adverse changes to interest rates and to the risk that the payment obligations relating to the underlying asset are not met.

The Fund may be concentrated in a limited number of securities, industry sectors or countries and as a result, may be more volatile than more broadly diversified funds.

Bond funds will normally distribute a combination of Coupon and the expected discount/premium on the securities. Therefore, a Fund's distribution will comprise income received and an element of projected capital gains or losses. This could result in an element of capital gain being taxed as income in the hands of an investor.

To the extent that any underlying assets of the Fund are denominated in a currency other than Sterling and are not hedged back to Sterling, movements in currency exchange rates can adversely affect the return of your investment. The currency hedging that may be used to minimise the effect of currency fluctuations may not always be successful.

The Fund may invest in Structured Products which will involve additional risks including the movements in the value of the underlying asset and the risk of the issuer of the Structured Product becoming insolvent.

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

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

## Fund review

In the Fund, we reduced duration in February through long maturity US Treasuries and Gilts. In the first months of the six-month period, we played more actively cross currency trades, holding 4% long Chinese yuan versus the US dollar and 1% long Mexican peso versus the US dollar, which contributed positively to performance. We entered agencies mortgage-backed securities and agency mortgage-backed security derivatives trades and we maintained a risk-on bias as we believed that liquidity would drive markets, as the European Central Bank's second round of long-term refinancing operations came into play and the search for yield continued. In March, we started adding European and US high yield names, as well as Emerging market debt (Argentina, Kazakhstan, Mexico, Russia and Venezuela).

In the second quarter we turned more cautious and we cut risk primarily reducing high yield and emerging market exposure. This probably implied that we missed some short-term opportunities (brief rallies in high yield and peripheral courtiers), but we got the right muddle-through trend that allowed us to keep a steady winning path. We kept a short euro theme through the period.

## Fund outlook

Global growth momentum has turned negative and financial conditions have tightened. This spells another year of sub-par growth, which should depress inflation and induce more aggressive policy response. A string of recent policy surprises, suggests that a new wave of broader policy easing has begun. We expect a pickup in this trend in the coming months, led by a resumption of large-scale asset purchases by the US Federal Reserve in September, followed by further purchases by all the other G4 central banks and more rate cuts in emerging markets.

## 12 month performance to 31 July

	2012	2011	2010
<b>JPM Strategic Bond A-Class Acc</b>	<b>4.3%</b>	<b>5.7%</b>	<b>11.3%</b>
<b>JPM Strategic Bond B-Class Inc<sup>A</sup></b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>JPM Strategic Bond C-Class Inc</b>	<b>4.8%</b>	<b>5.8%</b>	<b>-</b>
<b>JPM Strategic Bond I-Class Gross Acc</b>	<b>5.9%</b>	<b>7.3%</b>	<b>13.3%</b>
<b>JPM Strategic Bond X-Class Acc<sup>A</sup></b>	<b>-</b>	<b>-</b>	<b>-</b>
Benchmark Index <sup>B</sup>	11.1%	7.2%	10.3%

## Six month performance to 31 July 2012

<b>JPM Strategic Bond A-Class Acc</b>	<b>2.0%</b>
Benchmark Index <sup>B</sup>	2.5%

## Fund statistics

Risk and Reward Profile	<b>4</b>
Fund size	<b>£540.5m</b>
Benchmark Index <sup>B</sup>	<b>BBA Overnight GBP LIBOR</b>
Fund charges	
A-Class	<b>Initial 3.50%, Annual 1.00%</b>
B-Class	<b>Initial Nil, Annual 0.65%</b>
C-Class	<b>Initial Nil, Annual 0.50%</b>
I-Class	<b>Initial Nil, Annual 0.40%</b>
X-Class	<b>On application<sup>C</sup></b>

## Top ten holdings (excluding Liquidity funds) %

US Treasury 0% Aug 2012	11.8
US Treasury 0% Sep 2012	5.3
US Treasury 0% 25 Oct 2012	2.0
Wells Fargo Mortgage Backed Securities Trust 5.250% 2036	0.9
Finance 1.3% 2015	0.8
Glaxosmithkline Capital 2.85% 2022	0.7
Bristol-Myers Squibb 0.875% 2017	0.7
US Treasury 0% 18 Oct 2012	0.7
Phillips 4.3% 2022	0.7
Metlife 1.7% 2015	0.6

## Sector breakdown %

Fixed interest securities	62.7
Government bonds	19.9
Liquidity funds	10.0
Forward currency contracts	0.8
Swaps	0.3
Futures	0.2
Net other assets	6.1

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
<b>A-Class Accumulation Shares<sup>o</sup></b>			
2009	57.46p	49.55p	0.89p
2010	61.78p	57.39p	2.02p
2011	63.31p	60.94p	1.79p
2012 <sup>e</sup>	65.49p	62.96p	1.44p
<b>A-Class Income Shares<sup>p</sup></b>			
2009	56.53p	49.55p	0.89p
2010	58.71p	56.07p	1.97p
2011	59.52p	56.70p	1.56p
2012 <sup>e</sup>	59.85p	57.81p	1.33p
<b>B-Class Income Shares<sup>f</sup></b>			
2012 <sup>e</sup>	102.8p	99.29p	1.69p
<b>C-Class Income Shares<sup>g</sup></b>			
2009	104.0p	99.80p	0.13p
2010	107.9p	103.0p	4.16p
2011	109.4p	104.2p	3.46p
2012 <sup>e</sup>	109.9p	106.2p	2.80p
<b>C-Class Gross Income Shares<sup>h</sup></b>			
2012 <sup>e</sup>	101.8p	98.90p	0.79p
<b>I-Class Accumulation Shares<sup>i</sup></b>			
2011	100.6p	97.04p	1.52p
2012 <sup>e</sup>	104.8p	100.4p	2.78p
<b>I-Class Gross Accumulation Shares<sup>j</sup></b>			
2009	112.2p	100.0p	1.98p
2010	122.6p	112.2p	5.86p
2011	126.8p	122.3p	5.36p
2012 <sup>e</sup>	133.0p	126.8p	4.42p
<b>I-Class Income Shares<sup>k</sup></b>			
2011	100.5p	96.40p	1.50p
2012 <sup>e</sup>	101.7p	98.19p	2.71p
<b>I-Class Gross Income Shares<sup>k</sup></b>			
2010	102.7p	98.44p	2.93p
2011	104.2p	99.19p	4.40p
2012 <sup>e</sup>	104.6p	100.9p	3.48p
<b>X-Class Accumulation Shares<sup>l</sup></b>			
2011	100.9p	99.16p	-
2012 <sup>e</sup>	105.4p	100.8p	3.00p
<b>X-Class Gross Accumulation Shares<sup>m</sup></b>			
2012 <sup>e</sup>	101.5p	98.43p	1.88p

<sup>o</sup> A-Class Accumulation and A-Class Income Shares were launched on 7 May 2009.

<sup>e</sup> To 31 July 2012.

<sup>f</sup> B-Class Income Shares were launched on 18 January 2012.

<sup>g</sup> C-Class Income Shares were launched on 19 October 2009.

<sup>h</sup> C-Class Gross Income Shares were launched on 24 April 2012.

<sup>i</sup> I-Class Accumulation and I-Class Income Shares were launched on 21 April 2011.

<sup>j</sup> I-Class Gross Accumulation Shares were launched on 1 July 2009.

<sup>k</sup> I-Class Gross Income Shares were launched on 6 April 2010.

<sup>l</sup> X-Class Accumulation Shares were launched on 2 November 2011.

<sup>m</sup> X-Class Gross Accumulation Shares were launched on 29 February 2012.

## Net asset values and Ongoing charges

Date	Net asset value per share class £'000	Number of shares	Net asset value per share	Ongoing charges
<b>A-Class Accumulation Shares</b>				
31.01.10	38,003	66,142,739	57.46p	1.18%
31.01.11	43,847	71,104,568	61.66p	1.18%
31.01.12	89,516	140,270,479	63.82p	1.18%
31.07.12	109,905	168,746,109	65.13p	1.18%
<b>A-Class Income Shares</b>				
31.01.10	3,390	6,037,885	56.14p	1.18%
31.01.11	12,428	21,395,451	58.09p	1.18%
31.01.12	58,965	100,864,947	58.46p	1.18%
31.07.12	75,044	127,568,587	58.83p	1.18%
<b>B-Class Income Shares</b>				
31.01.12	5	5,000	100.4p	0.80%
31.07.12	914	904,220	101.0p	0.80%
<b>C-Class Income Shares</b>				
31.01.10	1,031	1,000,681	103.1p	0.62%
31.01.11	20,596	19,311,456	106.7p	0.62%
31.01.12	81,568	75,987,808	107.3p	0.62%
31.07.12	92,942	86,047,017	108.0p	0.62%
<b>C-Class Gross Income Shares</b>				
31.07.12	5,808	5,772,025	100.6p	0.62%
<b>I-Class Accumulation Shares</b>				
31.01.12	6	6,000	101.8p	0.40%
31.07.12	106	101,926	104.3p	0.40%
<b>I-Class Gross Accumulation Shares</b>				
31.01.10	3,934	3,503,290	112.3p	0.40%
31.01.11	7,304	5,962,071	122.5p	0.40%
31.01.12	5,427	4,217,453	128.7p	0.40%
31.07.12	6,396	4,833,591	132.3p	0.40%
<b>I-Class Income Shares</b>				
31.01.12	15,822	15,936,969	99.28p	0.40%
31.07.12	20,594	20,613,146	99.91p	0.40%
<b>I-Class Gross Income Shares</b>				
31.01.11	5,462	5,390,375	101.3p	0.40%
31.01.12	34,191	33,533,941	102.0p	0.40%
31.07.12	42,924	41,830,935	102.6p	0.40%
<b>X-Class Accumulation Shares</b>				
31.01.12	70,626	69,048,871	102.3p	0.06%
31.07.12	108,785	103,724,882	104.9p	0.06%
<b>X-Class Gross Accumulation Shares</b>				
31.07.12	77,089	76,292,517	101.0p	0.06%

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

Following the adoption of the requirements of UCITS IV in June 2012, Ongoing charges has replaced the Total expense ratio (TER). The Ongoing charges takes into account the ACD fee and any fixed 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 custodian handling charges in the Ongoing charges figure. The comparative figures have not been restated, and the historic TER is disclosed.

## Portfolio turnover rate

31.01.12	349.9%
31.07.12	194.7%

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

# Portfolio statement

As at 31 July 2012

Investment	Holding	Market value £'000	Total net assets %	Investment	Holding	Market value £'000	Total net assets %
<b>Fixed interest securities - 62.7% (82.5%)</b>							
<b>US Dollar - 52.4%</b>							
ABFC Asset Backed Certificates 2035	\$157,485	94	-	CVS Caremark 5.75% 2041	\$670,000	547	0.1
ABS Home Equity Loan Trust FRN 2034	\$336,573	162	-	CWABS FRN 2034	\$2,018,546	1,115	0.2
Accellent 8.375% 2017	\$1,250,000	821	0.2	CWALT 6% 2034	\$980,306	622	0.1
ACE Securities Home Equity 2005 FRN 2035	\$81,491	51	-	CWALT 5.5% 2035	\$8,614	5	-
AES 8% 2017	\$1,900,000	1,405	0.3	CWALT 5.75% 2035	\$1,152,823	714	0.1
Aircastle 6.75% 2017	\$1,180,000	788	0.1	CWALT 6% 2035	\$695,436	428	0.1
Aircastle 9.75% 2018	\$590,000	427	0.1	DCP Midstream 5.35% 2020	\$1,000,000	700	0.1
Altria Group 4.75% 2021	\$2,000,000	1,500	0.3	DDR 7.875% 2020	\$1,405,000	1,105	0.2
Allison Transport 7.125% 2019	\$600,000	405	0.1	DDR 4.625% 2022	\$2,105,000	1,367	0.3
Ally Financial 6.25% 2017	\$750,000	515	0.1	Deere & Co 3.9% 2042	\$1,385,000	952	0.2
Alternative Loan Trust 6% 2022	\$558,534	343	0.1	Del Monte 7.625% 2019	\$2,500,000	1,578	0.3
AMC Entertainments 8.75% 2019	\$1,580,000	1,092	0.2	Delta Air Lines 6.2% 2018	\$1,278,077	890	0.2
AMC Entertainments 9.75% 2020	\$1,250,000	863	0.2	Delta Air Lines 'A' 7.75% 2021	\$205,322	149	-
American Axle & Manufacturing 7.75% 2019	\$1,700,000	1,162	0.2	Denbury Resources 8.25% 2020	\$500,000	358	0.1
American Home Mortgage Assets FRN 2046	\$141,097	46	-	Digicel Group 10.5% 2018	\$250,000	170	-
American International 6.4% 2020	\$2,050,000	1,528	0.3	DirectTV 5.15% 2042	\$1,160,000	791	0.1
American International 6.25% 2087	\$1,205,000	734	0.1	DirectTV Finance 5% 2021	\$4,150,000	3,015	0.6
Ameriquest Mortgage FRN 2034	\$1,145,000	599	0.1	Discover Financial Services 6.45% 2017	\$1,550,000	1,119	0.2
Amkor Technology 7.375% 2018	\$2,250,000	1,470	0.3	Discovery Communications 4.95% 2042	\$400,000	283	0.1
Amsted Industries 8.125% 2018	\$500,000	337	0.1	Dish DBS 7.125% 2016	\$100,000	70	-
Anheuser Busch InBev 3.75% 2042	\$2,195,000	1,469	0.3	Dish DBS 7.875% 2019	\$1,400,000	1,035	0.2
Arch Coal 8.75% 2016	\$500,000	309	0.1	Dish DBS 6.75% SNR 2021	\$750,000	522	0.1
Arch Coal 7.25% 2021	\$1,750,000	954	0.2	Dish DBS 5.875% 2022	\$425,000	277	0.1
Ardagh Packaging Finance 7.375% 2017	\$200,000	137	-	DJO Finance 7.75% SNR 2018	\$1,500,000	802	0.1
Ardagh Packaging Finance 9.125% 2020	\$2,800,000	1,872	0.3	DSLA Mortgage Loan Trust FRN 2044	\$1,489,749	695	0.1
Aristotle 4.75% 2021	\$4,005,000	2,912	0.5	Duke Realty 5.95% 2017	\$1,880,000	1,349	0.2
AT&T 1.7% 2017	\$2,075,000	1,356	0.3	eBay 1.35% 2017	\$2,200,000	1,411	0.3
Avaya 9.75% 2015	\$200,000	100	-	eBay 4% 2042	\$630,000	406	0.1
Avaya 10.125% 2015	\$400,000	201	-	Energy Transfer Partners 4.65% 2021	\$2,575,000	1,751	0.3
Avaya 7% 2019	\$1,400,000	806	0.1	Energy Transfer Partners 6.05% 2041	\$495,000	345	0.1
Avis Budget Car Rental 8.25% 2019	\$1,500,000	1,023	0.2	Energy Transfer Partners 6.5% 2042	\$1,305,000	952	0.2
Banc of America Alternative Loan Trust 5.5% 2019	\$2,097,498	1,362	0.3	Entergy Arkansas 3.75% 2021	\$1,330,000	902	0.2
Banc of America Alternative Loan Trust FRN 2034	\$1,336,506	799	0.1	Enterprise Products 5.7% 2042	\$1,065,000	790	0.1
Banc of America Alternative Loan Trust 6% 2035	\$195,518	122	-	EQT 4.875% 2021	\$1,340,000	905	0.2
Banc of America Alternative Loan Trust 6% 2046	\$322,697	153	-	ERP Operating 4.625% 2021	\$510,000	368	0.1
Barrick North America Finance 5.875% 2022	\$2,455,000	1,702	0.3	Everest Acquisition 6.875% 2019	\$1,450,000	987	0.2
Barrick North America Finance 5.7% 2041	\$1,000,000	765	0.1	Everest Acquisition 9.375% 2020	\$1,185,000	812	0.2
Bayview Financial Mortgage Trust FRN 2041	\$400,951	256	-	Express Scripts 3.9% 2022	\$980,000	678	0.1
Bear Stearns ABS Trust FRN 2036	\$2,559,878	1,286	0.3	FFMLT 2005-FF8 FRN Mortgage 2035	\$667,048	385	0.1
Biomet 10.375% 2017	\$1,785,000	1,216	0.2	FHLM 5% 2021	\$2,998,882	160	-
Biomet 6.5% 2020	\$1,500,000	978	0.2	FHLM FRN 2036	\$3,070,188	369	0.1
Breitbart Energy Partners 8.625% 2020	\$2,200,000	1,497	0.3	Finance 1.3% 2015	\$6,635,000	4,233	0.8
Bristol-Myers Squibb 0.875% 2017	\$6,260,000	3,958	0.7	First Data 8.875% 2020	\$750,000	521	0.1
Bumble Bee Acquisition 9% 2017	\$3,000,000	1,927	0.4	First Data 12.625% 2021	\$142,000	91	-
C Bass CBO VII FRN 2038	\$116,832	74	-	First Data 8.75% 2022	\$1,640,000	1,046	0.2
Calpine 7.875% 2020	\$1,413,000	1,016	0.2	First Horizon Alternative Mortgage Securities Trust 5% 2020	\$1,252,285	795	0.1
Camden Property Trust 4.625% 2021	\$870,000	601	0.1	First Horizon Alternative Mortgage Securities Trust 5.5% 2035	\$1,397,188	800	0.1
Capital One Bank 8.8% 2019	\$2,940,000	2,409	0.4	First Horizon Mortgage Pass Through Trust 5.5% 2035	\$194,597	125	-
Case New Holland 7.875% SNR 2017	\$1,700,000	1,271	0.2	FirstEnergy 7.375% 2031	\$500,000	421	0.1
Caterpillar 0.95% 2015	\$3,820,000	2,462	0.5	FMG Resources 6.875% 2018	\$1,450,000	931	0.2
CDW Financial 8.5% 2019	\$600,000	405	0.1	FMG Resources 8.25% 2019	\$1,100,000	738	0.1
Central Garden & Pet 8.25% 2018	\$3,000,000	1,960	0.4	FNMA 5% 2021	\$8,357,425	467	0.1
Cequel Communications 8.625% 2017	\$600,000	412	0.1	FNMA 5% 2021	\$7,099,412	420	0.1
Chase Funding Mortgage Loan FRN 2033	\$1,446,788	973	0.2	FNMA 5.5% 2026	\$4,500,783	306	0.1
Chiron Merger 10.5% 2018	\$2,500,000	1,666	0.3	FNMA 4% 2029	\$3,533,178	380	0.1
Chrysler Group 8.25% 2021	\$1,995,000	1,316	0.2	FNMA FRN 2034	\$3,033,233	384	0.1
Cigna 4.375% 2020	\$1,940,000	1,340	0.2	FNMA FRN 2035	\$1,645,359	185	-
Cincinnati Bell 8.375% 2020	\$1,935,000	1,284	0.2	FNMA FRN 2036	\$2,446,599	275	0.1
Cisco Systems 5.5% 2040	\$1,170,000	993	0.2	FNMA FRN 2040	\$1,802,251	186	-
CIT Group 5.25% 2018	\$2,000,000	1,350	0.3	Ford Motor Credit 5.75% 2021	\$2,700,000	1,880	0.3
Citigroup Mortgage Loan Trust 5.5% 2035	\$303,464	189	-	Freescale Semiconductor 9.25% 2018	\$2,500,000	1,705	0.3
Citigroup Mortgage Loan Trust FRN 2035 STEP	\$19,612	12	-	Frontier Communications 6.625% 2015	\$250,000	170	-
Citigroup Mortgage Loan Trust FRN 2036	\$1,280,739	646	0.1	Frontier Communications 8.5% 2020	\$350,000	240	-
Citigroup Mortgage Loan Trust FRN 2037	\$1,052,351	658	0.1	GCI 8.625% 2019	\$3,000,000	2,027	0.4
Claire's Stores 9% 2019	\$2,250,000	1,485	0.3	General Electric Capital 5.875% 2038	\$1,620,000	1,255	0.2
Clear Channel Worldwide 9.25% 2017	\$1,710,000	1,183	0.2	Geo Group 6.625% 2021	\$750,000	503	0.1
CMS Energy 5.05% 2022	\$2,900,000	1,969	0.4	Gilead Sciences 4.4% 2021	\$1,900,000	1,380	0.3
Comm Mortgage Trust 2.555% 2024	\$2,300,000	1,471	0.3	Glaxosmithkline Capital 2.85% 2022	\$6,050,000	4,030	0.7
Continental Airlines 7.25% 2019	\$360,698	260	-	GNMA 5% 2039	\$822,748	59	-
Countrywide Securities 2.56375% 2032	\$393,484	195	-	GNMA FRN 2039	\$8,298,987	981	0.2
Coventry Health Care 5.45% 2021	\$605,000	440	0.1	Goodyear Tire & Rubber 8.25% 2020	\$1,695,000	1,174	0.2
Credit-Based Asset Servicing FRN 2035	\$261,676	165	-	Great Lakes Dredge & Dock 7.375% 2019	\$590,000	390	0.1
CSFB Mortgage Backed 5.75% 2033	\$205,203	130	-	Hanesbrands 6.375% 2020	\$1,500,000	1,021	0.2
CSFB Mortgage Backed 5.5% 2035	\$725,000	472	0.1	Harrhahs Operating 11.25% 2017	\$3,000,000	2,056	0.4
CSX 4% 2042	\$1,365,000	962	0.2	Hartford Financial Services Group 5.125% 2022	\$1,980,000	1,342	0.2
				Hartford Financial Services Group 6.625% 2040	\$300,000	212	-
				HCA 7.5% 2022	\$3,000,000	2,142	0.4
				HCP 5.375% 2021	\$750,000	555	0.1

# Portfolio statement – continued

As at 31 July 2012

Investment	Holding	Market value		Total net assets %	Investment	Holding	Market value		Total net assets %
		£'000					£'000		
HCP 3.15% 2022	\$2,480,000	1,561	0.3	Option One Mortgage Loan Trust FRN May 2034	\$6,500,000	3,272	0.6		
HD Supply 8.125% 2019	\$1,480,000	1,036	0.2	Paetec 8.875% 2017	\$282,000	195	-		
Health Management Associates 7.375% 2020	\$1,500,000	1,029	0.2	Paetec 9.875% 2018	\$740,000	532	0.1		
HealthSouth 7.25% 2018	\$1,200,000	829	0.2	Park Place Securities FRN Jun 2035	\$150,000	89	-		
HealthSouth 7.75% 2022	\$950,000	657	0.1	Peabody Energy 6.25% 2021	\$2,450,000	1,535	0.3		
Hertz 6.75% 2019	\$1,690,000	1,123	0.2	Petrohawk Energy 7.875% 2015	\$2,375,000	1,575	0.3		
Hertz 7.375% 2021	\$500,000	344	0.1	Phillips 4.3% 2022	\$5,195,000	3,611	0.7		
Hexion Nova Scotia 8.875% 2018	\$3,000,000	1,937	0.4	Plains All American Pipeline 5.75% 2020	\$580,000	440	0.1		
Home Equity Asset Trust FRN 2036	\$4,380,767	2,399	0.4	PNC Financial Services 6.75% 2049	\$1,796,000	1,241	0.2		
HSBC 6.1% 2042	\$1,000,000	834	0.2	PPL 5.375% 2021	\$750,000	528	0.1		
Hughes Satellite System 6.5% 2019	\$1,000,000	684	0.1	Radiation Therapy Services 8.875% 2017	\$1,480,000	882	0.2		
Huntsman International 8.625% 2021	\$1,000,000	732	0.1	Ramp Series Trust 2034	\$372,470	223	-		
Indymac Index Mortgage Loan Trust	\$490,195	213	-	RBS Global & REXNORD 8.5% 2018	\$1,600,000	1,120	0.2		
Ineos Finance 8.375% 2019	\$2,250,000	1,481	0.3	Realogy 7.625% 2020	\$1,495,000	1,021	0.2		
Intelsat Bermuda 11.25% 2016	\$207,000	139	-	Renaissance Home Equity Loan Trust 0.91% 2034	\$2,365,363	1,100	0.2		
Intelsat Bermuda 11.5% 2017 Step	\$500,000	332	0.1	Renaissance Home Equity Loan Trust 3.696% 2035	\$1,977,543	1,022	0.2		
Intelsat Jackson 7.25% 2020	\$530,000	360	0.1	Residential Asset Securitization Trust 5% 2019	\$377,742	244	-		
Intelsat Jackson 7.25% 2020 144A	\$750,000	507	0.1	Residential Asset Securitization Trust 6% 2035	\$1,534,557	837	0.1		
International Lease Finance 8.625% 2015	\$2,000,000	1,438	0.3	Residential Asset Securitization Trust FRN 2035	\$3,000,000	1,792	0.3		
International Lease Finance 8.75% 2017	\$500,000	370	0.1	Reynolds Group 9.875% 2019	\$750,000	501	0.1		
International Paper 6% 2041	\$930,000	712	0.1	Reynolds Group FRN 2019	\$1,750,000	1,127	0.2		
Iron Mountain 8.75% 2014	\$500,000	330	0.1	RFMSI Series Trust 6% 2036	\$96,767	59	-		
Iron Mountain 8.375% 2021	\$500,000	353	0.1	Rite Aid 9.75% 2016	\$640,000	450	0.1		
J Crew Group 8.125% 2019	\$1,800,000	1,179	0.2	Rite Aid 9.5% 2017	\$500,000	325	0.1		
JC Penney 7.95% 2017	\$500,000	309	0.1	Rockies Express Pipeline 3.9% 2015	\$1,370,000	852	0.2		
JC Penney 5.75% 2018	\$2,370,000	1,333	0.2	RSC Equipment Rental 8.25% 2021	\$730,000	500	0.1		
JPMorgan Mortgage Trust 4.5% 2020	\$59,947	38	-	Sabre 8.5% 2019	\$750,000	494	0.1		
JPMorgan Mortgage Trust 5.5% 2035	\$261,095	167	-	SABMiller 3.75% 2022	\$200,000	140	-		
Kinder Morgan Energy Partners 3.95% 2022	\$1,505,000	1,012	0.2	Sally 6.875% 2019	\$1,907,000	1,353	0.3		
Kinder Morgan Energy Partners 6.95% 2038	\$815,000	652	0.1	Sand Trust FRN 2035	\$5,258	3	-		
Kraft Foods 2.25% 2017	\$3,600,000	2,366	0.4	SASC FRN 2035	\$178,244	75	-		
Kraft Foods 5.375% 2020	\$2,200,000	1,688	0.3	Saxon Asset Securities Trust FRN 2036	\$361,720	175	-		
Lehman Mortgage Trust 5.5% 2035	\$549,943	305	0.1	Sealed Air 8.375 2021	\$2,550,000	1,854	0.3		
Level 3 Financing 8.125% 2019	\$2,500,000	1,674	0.3	Sealy Mattress 8.25% 2014	\$1,350,000	854	0.2		
Linn Energy 8.625% 2020	\$2,500,000	1,727	0.3	Sealy Mattress 10.875% 2016	\$796,000	550	0.1		
Long Beach Mortgage Loan Trust FRN 2034	\$2,270,000	1,161	0.2	Sensata Technologies 6.5% 2019	\$1,800,000	1,196	0.2		
Lowes 4.65% 2042	\$1,455,000	1,060	0.2	Servicemaster 10.75% 2015	\$198,258	130	-		
Lucent Technologie 6.45% 2029	\$2,500,000	909	0.2	Spectrum Brands 9.5% 2018	\$2,000,000	1,441	0.3		
Manitowoc 8.5% 2020	\$200,000	139	-	Sprint Capital 8.75% 2032	\$2,890,000	1,810	0.3		
Marathon Petroleum 6.5% 2041	\$2,160,000	1,670	0.3	Sprint Nextel 9% 2018	\$750,000	552	0.1		
Marina District Finance 9.875% 2018	\$1,400,000	832	0.2	Structured Asset Investment Loan Trust FRN 2033	\$1,130,000	591	0.1		
Master Alternative Loan Trust 5.5% 2035	\$520,238	320	0.1	Structured Asset Investment Loan Trust FRN 2034	\$2,231,295	1,139	0.2		
Master Alternative Loan Trust 5.75% 2035	\$302,249	171	-	Structured Asset Securities 0.67% 2035	\$119,164	76	-		
Master Asset Backed Securities Trust 1.38% 2033	\$92,120	57	-	Structured Asset Securities 4.72% 2035	\$459,710	298	0.1		
Mattel 5.45% 2041	\$965,000	718	0.1	Structured Asset Securities 5.5% 2035	\$3,818,706	2,194	0.4		
MetLife 1.7% 2015	\$5,400,000	3,466	0.6	Suncor Energy 6.5% 2038	\$1,050,000	871	0.2		
Metropcs Wireless 7.875% 2018	\$2,003,000	1,350	0.2	Sungard Data Systems 7.375% 2018	\$1,000,000	676	0.1		
MGM Resorts 9% 2020	\$1,700,000	1,207	0.2	Target 4% 2042	\$2,750,000	1,867	0.3		
Michaels Stores 7.75% 2018	\$1,005,000	686	0.1	Tenet Healthcare 8% 2020	\$2,900,000	1,937	0.4		
Morgan Stanley ABS Capital FRN Mar 2034	\$3,644,364	1,927	0.4	Terex 8% 2017	\$2,450,000	1,644	0.3		
Morgan Stanley ABS Capital FRN Jul 2034	\$440,669	237	-	Teva Pharmaceutical Finance 2.4% 2016	\$1,750,000	1,171	0.2		
Morgan Stanley ABS Capital FRN Sep 2034	\$1,450,000	786	0.1	Time Warner Cable 5.5% 2041	\$1,995,000	1,481	0.3		
Morgan Stanley Capital 5.21% 2042	\$405,000	288	0.1	Transocean 6.375% 2021	\$2,080,000	1,595	0.3		
Morgan Stanley Mortgage Loan Trust 6.57% 2034	\$793,267	504	0.1	UBS (Stamford) 5.875% 2017	\$1,120,000	826	0.2		
Morgan Stanley Mortgage Loan Trust FRN 2034	\$778,573	485	0.1	United Health Group 5.7% 2040	\$270,000	217	-		
Mylan 7.875% 2020	\$2,500,000	1,805	0.3	UPCB Finance III 6.625% 2020	\$1,750,000	1,155	0.2		
Nationwide Building Society 4.65% 2015	\$1,365,000	906	0.2	UPCB Finance 7.25% 2021	\$750,000	509	0.1		
Natixis FRN 2019	\$1,200,000	629	0.1	UR Financing Escro 7.625% 2022	\$3,000,000	2,018	0.4		
NBCUniversal Media 4.375% 2021	\$3,860,000	2,779	0.5	US Oncology Action Escrow 9.125% 2017	\$600,000	6	-		
New Century Home Equity Loan Trust FRN 2034	\$412,167	220	-	Vail Resorts 6.5% 2019	\$1,785,000	1,222	0.2		
New Century Home Equity Loan Trust 1.0403% 2035	\$2,100,339	936	0.2	Vale Overseas 4.625% 2020	\$2,455,000	1,654	0.3		
New Jersey Economic Development Authority 5% 2021	\$930,000	717	0.1	Valeant Pharmaceuticals 6.875% 2018	\$1,000,000	673	0.1		
NiSource Finance 5.8% 2042	\$1,035,000	778	0.1	Valeant Pharmaceuticals 7.25% 2022	\$1,585,000	1,041	0.2		
NRG Energy 7.625% 2018	\$250,000	169	-	Valero Energy 6.625% 2037	\$366,000	282	0.1		
NV Energy 6.25% 2020	\$1,425,000	1,051	0.2	Ventas Realty 4% 2019	\$2,010,000	1,361	0.3		
Oglethorpe Power 5.375% 2040	\$465,000	361	0.1	Ventas Realty 3.25% 2022	\$1,000,000	631	0.1		
Oncor Electric Delivery 5% 2017	\$1,150,000	825	0.2	Ventas Realty 4.25% 2022	\$1,135,000	773	0.1		
Oneok Partners 3.25% 2016	\$1,150,000	770	0.1	Verizon Communications 2% 2016	\$2,855,000	1,893	0.3		
Opteum Mortgage FRN 2035	\$325,952	204	-	Visant 10% 2017	\$300,000	192	-		
Option One Mortgage Loan Trust FRN Nov 2034	\$126,148	64	-	Visteon 6.75% 2019	\$2,850,000	1,769	0.3		
Option One Mortgage Loan Trust FRN 25 Nov 2034	\$447,030	248	-	Wachovia Bank 5.274% 2044	\$225,832	160	-		
				Waste Management 2.6% 2016	\$1,250,000	831	0.2		
				Wells Fargo 5.51% FRN 2014	\$2,678,000	1,682	0.3		
				Wells Fargo 5.62625% 2016	\$1,015,000	621	0.1		

# Portfolio statement – continued

As at 31 July 2012

Investment	Holding	Market value £'000	Total net assets %
Wells Fargo 7.98% FRN Perpetual	\$2,275,000	1,624	0.3
Wells Fargo Home Equity FRN 2035	\$2,000,000	1,074	0.2
Wells Fargo Mortgage Backed Securities Trust 4.75% 2020	\$125,940	83	-
Wells Fargo Mortgage Backed Securities Trust 5.25% 2036	\$7,270,933	4,726	0.9
Wells Fargo Mortgage Backed Securities Trust 6% 2037	\$391,350	241	-
Westpac Banking 1.375% Convertible 2015	\$3,840,000	2,459	0.4
Windstream 8.125% 2018	\$100,000	68	-
Windstream 7.75% 2021	\$1,540,000	1,051	0.2
Xerox 4.5% 2021	\$3,315,000	2,186	0.4
Xstrata Canada 6% 2041	\$1,235,000	838	0.2
<b>Euro – 9.3%</b>			
Abbey National Treasury Services 3.375% 2015	€2,500,000	2,069	0.4
ABN Amro Bank 3.75% 2014	€1,800,000	1,495	0.3
Bank of Scotland 4.75% 2015	€2,600,000	2,218	0.4
Barclays Bank 3.125% 2015	€2,500,000	2,069	0.4
BNP Paribas 2.5% 2015	€2,750,000	2,250	0.4
BNZ International Funding 3.125% FRN 2017	€2,700,000	2,254	0.4
Commonwealth Bank of Australia 2.625% 2017	€3,619,000	3,001	0.6
Compagnie de Financement Foncier 4.75% 2015	€3,200,000	2,766	0.5
Continental Gummi Finance 7.125% 2018	€770,000	646	0.1
Credit Agricole 2.5% 2015	€3,500,000	2,856	0.5
DNB 2.75% 2015	€1,800,000	1,489	0.3
ECO-BAT Finance 7.75% 2017	€808,000	631	0.1
Fleet Street Finance Three FRN 2016	€641,155	442	0.1
ING Bank 2.25% 2015	€2,500,000	2,045	0.4
Kabel Deutschland 6.5% 2017	€500,000	415	0.1
National Australia Bank 2.625% 2017	€3,900,000	3,232	0.6
Nordea Bank 2.375% 2017	€2,842,000	2,347	0.4
OP Mortgage Bank 3.125% 2014	€1,900,000	1,572	0.3
Pernod Ricard 5% 2017	€1,600,000	1,413	0.3
Picard Bondco 9% 2018	€972,000	829	0.2
Rexel 7% 2018	€1,037,000	881	0.2
Royal Bank of Scotland 4% 2016	€3,100,000	2,663	0.5
Schaeffler Finance 7.75% 2017	€1,250,000	1,023	0.2
Standard Chartered FRN 2018	€1,150,000	860	0.2
Sunrise Communications 8.5% 2018	€2,250,000	1,902	0.4
Swedbank Mortgage 2.5% 2015	€2,750,000	2,262	0.4
TVN Finance 10.75% 2017	€428,000	360	0.1
Westpac Securities 3.5% Convertible 2016	€2,300,000	1,949	0.4
Ziggo 8% 2018	€400,000	341	0.1
<b>Sterling – 1.0%</b>			
Aegon 6.625% 2039	£400,000	437	0.1
Gatwick Funding 5.25% 2024	£1,000,000	1,085	0.2
Imperial Tobacco Finance 5.5% 2026	£1,050,000	1,253	0.2
Old Mutual 8% 2021	£900,000	949	0.2
UBS 5.24% FRN 2021	£1,554,000	1,503	0.3
<b>Government bonds – 19.9% (13.9%)</b>			
<b>United States of America – 19.8%</b>			
US Treasury 0% Aug 2012	\$100,000,000	63,753	11.8
US Treasury 0% Sep 2012	\$45,000,000	28,687	5.3
US Treasury 0% 18 Oct 2012	\$5,987,000	3,816	0.7
US Treasury 0% 25 Oct 2012	\$16,900,000	10,772	2.0
<b>Brazil – 0.1%</b>			
Brazil 10% 2013	BRL 1,740	554	0.1
<b>Forward currency contracts – 0.8% (0.5%)</b>			
<b>Brazilian Real</b>			
Sell BRL 2,104,062 buy \$1,000,267 dated 10/09/12		(15)	-
<b>Euro</b>			
Buy €676,331 sell £530,353 dated 10/09/12		-	-
Buy €2,222,000 sell £1,737,795 dated 10/09/12		3	-
Sell €95,951,259 buy £77,274,493 dated 10/09/12	2,100	0.4	-
Sell €935,877 buy £730,032 dated 10/09/12	(3)	-	-
Sell €520,335 buy \$644,735 dated 10/09/12	3	-	-
Sell €2,593,820 buy \$3,182,853 dated 10/09/12	(3)	-	-
<b>Hungarian Forint</b>			
Sell HUF 1,970,404,600 buy \$8,368,675 dated 10/09/12	(181)	-	-
<b>Mexican Peso</b>			
Sell MXN 112,096,939 buy \$8,391,168 dated 10/09/12	(39)	-	-
<b>South African Rand</b>			
Sell ZAR 69,582,775 buy \$8,373,458 dated 10/09/12	(48)	-	-

Investment	Holding	Market value £'000	Total net assets %
<b>US Dollar</b>			
Buy \$1,455,898 sell £926,332 dated 10/09/12		2	-
Buy \$1,445,000 sell £933,143 dated 10/09/12		(12)	-
Sell \$42,009,014 buy €34,275,762 dated 10/09/12		70	-
Sell \$33,833,608 buy £21,523,602 dated 10/09/12		(48)	-
Sell \$557,503,411 buy £357,689,522 dated 10/09/12		2,240	0.4
<b>Swaps – 0.3% (0.1%)</b>			
Credit Default Swaps Advanced Micro Devices 7.75% 20 Sep 2017	1,425,000	27	-
Credit Default Swaps 5% 20 Jun 2016	(1,425,000)	(10)	-
Credit Default Swaps CDX.NA.IG 5% 20 Jun 2017	39,500,000	531	0.1
Credit Default Swaps CDX.NA.IG 5% 20 Jun 2017	39,500,000	531	0.1
Credit Default Swaps CDX.NA.IG 5% 20 Jun 2017	31,500,000	423	0.1
Interest Rate Swaps Buy 2.8425% 17 Feb 2025	15,245,000	506	0.1
Interest Rate Swaps Sell 2.36% 17 Feb 2020	(28,345,000)	(555)	(0.1)
Futures – 0.2% ((0.4%))			
Euro Bund Index Futures Sep 2012	(620)	(354)	(0.1)
Long Gilt Futures Sep 2012	546	998	0.2
US 2 Year Note Futures Sep 2012	1,884	407	0.1
US 5 Year Note Futures Sep 2012	37	4	-
US 10 Year Note Futures Sep 2012	(73)	(8)	-
US Long Bond Futures Sep 2012	6	(7)	-
US Ultra Bond Futures Sep 2012	3	16	-
<b>Liquidity funds – 10.0% (2.6%)</b>			
JPM Sterling Liquidity 'X' (Income)*\$	54,098,051	54,098	10.0
<b>Investment assets (including investment liabilities)</b>		<b>507,732</b>	<b>93.9</b>
<b>Net other assets</b>		<b>32,775</b>	<b>6.1</b>
<b>Net assets</b>		<b>540,507</b>	<b>100.0</b>
Unless otherwise stated the above securities are admitted to official stock exchange listings or trade on a regulated market.			
The comparative percentage figures in brackets are at 31 January 2012.			
^ Deemed to be investment in related parties of the ACD			
\$ Approved security as defined in the collective investment scheme sourcebook			
			Market value £'000
<b>Portfolio credit ratings</b>			
AAA			48,239
AA			332
AA-			3,540
A+			11,924
A			13,311
A-			123,013
BBB+			6,658
BBB			38,393
BBB-			30,814
BB+			11,545
BB			12,869
BB-			22,697
B+			21,114
B			35,774
B-			31,089
CCC+			12,790
CCC			19,137
C			3,811
Unrated			6
<b>Total bonds</b>			<b>447,056</b>
Forward currency contracts			4,069
Swaps			1,453
Futures			1,056
Liquidity funds			54,098
<b>Investment assets (including investment liabilities)</b>			<b>507,732</b>

## Portfolio movements

For the six months ending 31 July 2012

	£'000		£'000
<b>Total of all purchases for the period</b>	<b>689,963</b>	<b>Total of all sales for the period</b>	<b>567,356</b>
<b>Major purchases</b>	<b>Cost</b>	<b>Major sales</b>	<b>Proceeds</b>
JPM Sterling Liquidity 'X' (Income)^	92,680	JPM Sterling Liquidity 'X' (Income)^	71,725
US Treasury 0% Aug 2012	63,746	FNMA 3% 30 Yrs Jul 2042	48,155
FNMA 3% 30 Yrs July 2042	47,658	FNMA 3% 30 Yrs Aug 2042	45,354
FNMA 3% 30 Yrs Aug 2042	44,438	Australia 5.75% 2021	30,269
US Treasury 0% 2012	28,909	FHLMC Gold 4% 30 Yrs 2039	21,558
FHLMC Gold 4% 30 Yrs 2039	21,540	FNMA 4% 30 Yrs 2040	21,386
FNMA 4% 30 Yrs 2040	21,500	FHLMC Gold 4% 30 Yrs 2040	19,413
FHLMC Gold 4% 30 Yrs 2040	19,405	FNMA 4% 30 Yrs 2039	19,369
FNMA 4% 30 Yrs 2039	19,365	Treasury 3.75% 2020	17,788
US Treasury 0% Oct 2012	10,845	FNLMC Gold 4% 30 Yrs 2039	16,224
Russian FRN 2030	9,048	FNMA 4% 30 Yrs 2039	16,212
Australia 5.75% 2021	8,363	Russian FRN 2030	8,894
FHLMC Gold 3.00% 30 Yrs 2042	8,257	FHLMC Gold 3.00% 30 Yrs 2042	8,380
Argentina 8.75% 2017	7,100	Romania 6.75% 2022	6,511
Romania 6.75% 2022	6,648	Argentina 8.75% 2017	5,921
US Treasury 0% 2012	5,940	KazMunaiGas Finance 6.375% 2021	4,596
Wells Fargo Mortgage Backed Securities Trust 5.25% 2036	4,739	KazMunaiGas Finance 7% 2020	4,180
KazMunaiGas Finance 6.375% 2021	4,563	Russia 5.625% 2042	4,102
KazMunaiGas Finance 7% 2020	4,308	FHLM 3% 2042	3,619
Finance 1.3% 2015	4,272	US Treasury 2.125% 2041	3,037

^ Deemed to be investment in related parties of the ACD

# Financial statements

## Statement of total return

(Unaudited)

For the six months ending 31 July

	2012	2011
	£'000	£'000
Income		
Net capital gains/(losses)	1,467	(211)
Revenue	10,737	2,652
Expenses	(1,434)	(584)
Net revenue before taxation	9,303	2,068
Taxation	(7)	-
Net revenue after taxation	9,296	2,068
<b>Total return before distributions</b>	<b>10,763</b>	<b>1,857</b>
Finance costs: Distributions	(9,283)	(2,062)
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>1,480</b>	<b>(205)</b>

## Statement of change in net assets attributable to shareholders

(Unaudited)

For the six months ending 31 July

	2012	2011
	£'000	£'000
<b>Opening net assets attributable to shareholders</b>	<b>356,126</b>	<b>89,637</b>
Amounts receivable on issue of shares	188,985	85,212
Amounts payable on cancellation of shares	(10,761)	(1,024)
	178,224	84,188
Change in net assets attributable to shareholders from investment activities (see above)	1,480	(205)
Retained distributions on accumulation shares	4,677	933
<b>Closing net assets attributable to shareholders</b>	<b>540,507</b>	<b>174,553</b>

As the comparatives in the above table are for the previous interim period, the net assets at the end of that period will not agree to the net assets at the start of the current period.

## Balance sheet

(Unaudited)

As at

	31 July 2012	31 January 2012
	£'000	£'000
<b>ASSETS</b>		
Investment assets	509,015	380,649
Debtors	59,315	8,247
Cash and bank balances	49,880	10,648
<b>Total other assets</b>	<b>109,195</b>	<b>18,895</b>
<b>Total assets</b>	<b>618,210</b>	<b>399,544</b>
<b>LIABILITIES</b>		
Investment liabilities	(1,283)	(3,401)
Creditors	(74,793)	(38,180)
Distribution payable on income shares	(1,627)	(1,837)
<b>Total other liabilities</b>	<b>(76,420)</b>	<b>(40,017)</b>
<b>Total liabilities</b>	<b>(77,703)</b>	<b>(43,418)</b>
<b>Net assets attributable to shareholders</b>	<b>540,507</b>	<b>356,126</b>

# JPM UK Active Index Plus Fund

## Investment objective and policy<sup>A</sup>

The Fund aims to provide capital growth and outperform the FTSE™ All-Share Index over the long term by investing primarily in a portfolio of UK companies.

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

This Equity based fund is conservatively managed and designed to give broad market exposure to UK companies.

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

## Risk profile

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

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

The single market in which the Fund primarily invests, in this case the UK, may be subject to particular political and economic risks and, as a result, the Fund may be more volatile than more broadly diversified funds.

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

## Fund review

Eurozone debt concerns and weak UK and global economic data contributed to a volatile review period, but UK equities delivered a small positive return.

The Fund, which aims to provide low cost, actively managed exposure to the UK stock market, outperformed its benchmark. Positive contributors to relative returns included stock selection in the support services sector and an underweight position in mining. Stock selection and an underweight in electricity detracted, as did stock selection in industrial engineering.

At the stock level, the Fund benefited in relative terms from its underweight position in mining company Glencore International, which was hurt by falling commodity prices and by worries that its planned merger with Xstrata may not go through. An overweight position in PayPoint was also positive as the payment systems operator reported a rise in full-year pretax profit and said it is well placed to make further business gains. Stock-level detractors from relative returns included an overweight position in Weir Group, the maker of pumps for the oil and mining industries, which suffered as the sharp decline in natural gas prices weighed on demand for fracking equipment. Not holding International Power was also detrimental after French utility GDF Suez agreed to buy the 30% of the company it did not previously own for EUR 8.4 billion. However, the Fund was boosted by its overweight position in bookmaker William Hill, which reported stronger-than-expected first-half earnings, driven by a rise in online revenue.

## Fund outlook

Growth concerns and worries over eurozone debt may contribute to continued volatility, but valuations and dividends remain attractive.

## 12 month performance to 31 July

	2012	2011	2010	2009	2008
<b>JPM Active Index Plus E-Class Acc<sup>B</sup></b>	<b>0.5%</b>	<b>14.4%</b>	<b>19.8%</b>	<b>-13.6%</b>	<b>-16.3%</b>
Benchmark Index <sup>C</sup>	0.4%	14.8%	19.3%	-10.5%	-12.7%

## Six month performance to 31 July 2012

<b>JPM Active Index Plus E-Class Acc<sup>B</sup></b>	<b>2.4%</b>
Benchmark Index <sup>C</sup>	1.9%

## Fund statistics

Risk and Reward Profile	6
Fund size	£66.3m
Benchmark Index <sup>C</sup>	FTSE All-Share Index (Net)
Fund charges	Initial Nil, Annual 0.25%

## Top ten holdings (excluding Liquidity funds)

	%
Royal Dutch Shell 'B'	7.9
HSBC	5.5
Vodafone Group	5.3
BP	4.6
GlaxoSmithKline	3.9
British American Tobacco	3.7
Diageo	2.6
BHP Billiton	2.5
BG Group	2.4
AstraZeneca	2.4

You should remember that past performance is not a guide to the future. The price of investments and the income from them may fall as well as rise and investors may not get back the full amount invested. For specific risks, including the risk and reward profile, please refer to the Key Investor Information Document (KIID).

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

Source: J.P. Morgan.

Formerly JPM UK Active 350 Fund, the Fund name was changed on 01/02/11.

<sup>A</sup> On 01/02/11 the investment objective and policy of the Fund was changed.

<sup>B</sup> The E-Class Shares were launched on 01/02/11 upon consolidation of the A and I Share Classes.

<sup>C</sup> The benchmark of the fund was changed from the FTSE™350 Index to the FTSE™ All-Share Index (Net) on 01/02/11.

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## Sector breakdown

	%
Oil & gas	16.5
Financials	16.2
Consumer goods	13.8
Basic materials	9.4
Consumer services	9.0
Industrials	7.7
Telecommunications	6.7
Health care	6.7
Liquidity funds	6.1
Utilities	3.7
Equity investment instruments	2.3
Technology	0.9
Futures	0.2
Net other assets	0.8

## Highest/lowest share price and distribution record

Calendar year	Highest share price	Lowest share price	Distribution per share (net)
<b>A-Class Accumulation Shares</b>			
2007	217.6p	188.8p	3.70p
2008	201.0p	115.7p	4.37p
2009	174.0p	108.1p	5.43p
2010	203.1p	160.7p	4.24p
2011 <sup>d</sup>	206.4p	199.0p	3.63p
<b>A-Class Income Shares<sup>e</sup></b>			
2007	51.10p	43.67p	0.00p
2008	46.41p	26.72p	0.00p
2009	38.73p	24.06p	1.08p
2010	44.08p	34.87p	0.94p
2011 <sup>d</sup>	44.80p	43.18p	0.79p
<b>E-Class Accumulation Shares<sup>f</sup></b>			
2011	210.8p	170.8p	-
2012 <sup>g</sup>	211.5p	189.1p	6.31p
<b>E-Class Income Shares<sup>f</sup></b>			
2011	44.89p	36.37p	-
2012 <sup>g</sup>	43.63p	39.01p	1.33p
<b>I-Class Accumulation Shares</b>			
2007	227.6p	197.7p	4.89p
2008	211.1p	122.0p	5.76p
2009	184.8p	114.3p	6.74p
2010	216.9p	171.1p	5.37p
2011 <sup>d</sup>	220.5p	212.7p	4.99p
<b>I-Class Income Shares<sup>e</sup></b>			
2007	104.5p	90.79p	0.00p
2008	96.90p	54.31p	2.63p
2009	78.26p	48.41p	2.93p
2010	89.12p	70.30p	2.27p
2011 <sup>d</sup>	90.59p	87.26p	2.06p

<sup>d</sup> A-Class Accumulation Shares, A-Class Income Shares, I-Class Accumulation Shares and I-Class Income Shares were closed on 1 February 2011.

<sup>e</sup> A-Class Income Shares and I-Class Income Shares were launched on 2 January 2007.

<sup>f</sup> E-Class Accumulation Shares and E-Class Income Shares were launched on 1 February 2011.

<sup>g</sup> To 31 July 2012.

## Portfolio turnover rate

31.01.12	72.6%
31.07.12	25.3%

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

## Net asset values and Ongoing charges

Date	Net asset value per share class £'000	Number of shares	Net asset value per share	Ongoing charges
<b>A-Class Accumulation Shares</b>				
31.01.10	51,527	30,838,442	167.1p	1.16%
31.01.11	59,545	29,936,871	198.9p	1.17%
31.01.12	-	-	-	-
<b>A-Class Income Shares</b>				
31.01.10 <sup>h</sup>	19	52,672	36.25p	1.18%
31.01.11 <sup>h</sup>	25	58,998	42.37p	1.18%
31.01.12 <sup>h</sup>	-	-	-	-
<b>E-Class Accumulation Shares</b>				
31.01.11	-	-	-	-
31.01.12	63,808	32,015,959	199.3p	0.41%
31.07.12	65,241	31,986,312	203.96p	0.40%
<b>E-Class Income Shares</b>				
31.01.11	-	-	-	-
31.01.12	68	166,565	41.11p	0.41%
31.07.12	1,100	2,614,550	42.07p	0.40%
<b>I-Class Accumulation Shares</b>				
31.01.10	5,879	3,312,043	177.5p	0.60%
31.01.11	4,692	2,207,615	212.5p	0.60%
31.01.12	-	-	-	-
<b>I-Class Income Shares</b>				
31.01.10 <sup>h</sup>	5	7,000	72.92p	0.60%
31.01.11 <sup>h</sup>	1	1,165	85.14p	0.60%
31.01.12 <sup>h</sup>	-	-	-	-

<sup>h</sup> The net asset value and the net asset value per income share are shown ex-dividend at the financial year end.

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 and any fixed expenses expressed as a percentage of the daily net asset values over the period. The main difference between the two calculations is the inclusion of custodian handling charges and the exclusion of Performance fees in the Ongoing charges figure. The comparative figures have not been restated, and the historic TER is disclosed.

# Portfolio statement

As at 31 July 2012

Investment	Holding	Market value £'000	Total net assets %
<b>Oil &amp; gas - 16.5% (17.3%)</b>			
<b>Oil &amp; gas producers - 15.6%</b>			
BG Group	122,784	1,577	2.4
BP	724,036	3,078	4.6
Enquest	190,829	215	0.3
Royal Dutch Shell 'B'	231,283	5,247	7.9
Tullow Oil	20,584	270	0.4
<b>Oil equipment, services &amp; distribution - 0.9%</b>			
AMEC	26,078	292	0.4
Kentz	18,747	72	0.1
Petrofac	16,560	248	0.4
<b>Financials - 16.2% (16.9%)</b>			
<b>Banks - 9.3%</b>			
Barclays	531,092	890	1.4
HSBC	683,492	3,651	5.5
Lloyds Banking Group	917,711	282	0.4
Royal Bank of Scotland Group	116,277	253	0.4
Standard Chartered	72,303	1,070	1.6
<b>General financial - 1.6%</b>			
Aberdeen Asset Management	56,755	148	0.2
London Stock Exchange Group	17,395	171	0.3
Paragon Group of Companies	109,347	198	0.3
Provident Financial	18,491	240	0.4
Rathbone Brothers	5,354	69	0.1
Tullett Prebon	65,381	178	0.3
<b>Life insurance - 2.9%</b>			
Aviva	40,777	121	0.2
Legal & General Group	358,182	461	0.7
Old Mutual	291,239	465	0.7
Prudential	115,409	893	1.3
Standard Life	9,244	22	-
<b>Nonlife insurance - 1.0%</b>			
Beazley Group	129,601	205	0.3
Catlin Group	52,860	229	0.3
Lancashire Holdings	29,269	232	0.4
<b>Real estate - 1.4%</b>			
Capital & Counties Properties	84,536	177	0.3
Daejan	1,418	43	0.1
Derwent London	7,476	147	0.2
Grainger	96,287	87	0.1
Hammerson	63,917	297	0.4
Land Securities	26,197	208	0.3
<b>Consumer goods - 13.8% (13.2%)</b>			
<b>Automobiles &amp; parts - 0.5%</b>			
GKN	142,815	303	0.5
<b>Beverages - 3.8%</b>			
Diageo	101,471	1,753	2.6
SABMiller	28,925	797	1.2
<b>Food producers - 2.3%</b>			
Cranswick	23,409	199	0.3
Dairy Crest Group	44,199	149	0.2
Tate & Lyle	37,599	247	0.4
Unilever	39,317	899	1.4
<b>Household goods - 1.9%</b>			
Bellway	27,469	224	0.3
Berkeley Group	1,681	23	-
Bovis Homes Group	32,107	145	0.2
Persimmon	38,873	239	0.4
Reckitt Benckiser Group	19,329	680	1.0
<b>Personal goods - 0.1%</b>			
Burberry Group	5,260	68	0.1
<b>Tobacco - 5.2%</b>			
British American Tobacco	72,620	2,483	3.7
Imperial Tobacco Group	39,807	985	1.5

Investment	Holding	Market value £'000	Total net assets %
<b>Basic materials - 9.4% (11.6%)</b>			
<b>Chemicals - 0.7%</b>			
Croda International	9,972	235	0.4
Elementis	103,696	213	0.3
<b>Forestry &amp; paper - 0.4%</b>			
Mondi	46,427	254	0.4
<b>Mining - 8.3%</b>			
Anglo American	49,362	946	1.4
BHP Billiton	86,255	1,625	2.5
Eurasian Natural Resources	34,538	138	0.2
Ferrexpo	46,941	87	0.1
Gem Diamonds	84,241	164	0.3
Glencore International	77,116	248	0.4
Kazakhmys	26,891	192	0.3
Randgold Resources	346	20	-
Rio Tinto	51,237	1,527	2.3
Xstrata	63,072	539	0.8
<b>Consumer services - 9.0% (8.6%)</b>			
<b>Food &amp; drug retails - 2.1%</b>			
Greggs	8,227	42	0.1
Morrison (Wm.) Supermarkets	145,425	402	0.6
Sainsbury (J)	59,006	189	0.3
Tesco	236,309	750	1.1
<b>General retailers - 1.5%</b>			
Debenhams	245,012	227	0.3
JD Sports Fashion	22,589	152	0.2
Kingfisher	35,778	96	0.1
Next	11,333	368	0.6
WH Smith	39,756	221	0.3
<b>Media - 2.7%</b>			
British Sky Broadcasting Group	11,362	81	0.1
Daily Mail & General Trust 'A'	43,290	198	0.3
Euro money Institutional Investor	22,522	163	0.2
ITV	353,014	268	0.4
Moneysupermarket.Com Group	17,366	25	-
Pearson	15,694	187	0.3
Reed Elsevier	9,064	49	0.1
Rightmove Group	15,184	233	0.4
UBM	10,614	69	0.1
WPP	67,174	552	0.8
<b>Travel &amp; leisure - 2.7%</b>			
Carnival	15,024	325	0.5
Compass Group	40,805	284	0.4
Easyjet	43,822	248	0.4
Greene King	7,513	45	0.1
Intercontinental Hotels Group	3,049	48	0.1
Ladbroke's	59,468	93	0.1
Marston's	182,973	204	0.3
Rank Group	21,482	25	-
Stagecoach Group	78,919	224	0.3
TUI Travel	17,128	31	0.1
William Hill	88,939	280	0.4

# Portfolio statement – continued

As at 31 July 2012

Investment	Holding	Market value £'000	Total net assets %
<b>Industrials – 7.7% (7.8%)</b>			
<b>Aerospace &amp; defence – 2.2%</b>			
BAE Systems	175,648	547	0.8
Cobham	19,232	45	0.1
QinetiQ Group	135,274	229	0.3
Rolls Royce Group	75,602	655	1.0
<b>Construction &amp; materials – 0.4%</b>			
CRH	11,466	137	0.2
Galliford Try	20,276	123	0.2
<b>Electronics &amp; electrical equipment – 0.3%</b>			
Spectris	14,292	224	0.3
<b>General industrials – 0.5%</b>			
Rexam	74,719	328	0.5
<b>Industrial engineering – 0.6%</b>			
Bodycote	56,461	185	0.3
Melrose	81,138	179	0.3
<b>Support services – 3.7%</b>			
Aggreko	8,196	168	0.3
Atkins (WS)	28,571	211	0.3
Babcock International Group	23,944	207	0.3
Berendsen	19,078	97	0.1
Bunzl	14,576	164	0.3
De La Rue	5,551	57	0.1
Diploma	21,957	90	0.1
Experian	17,631	169	0.3
Filtrona	32,062	149	0.2
G4S	22,857	56	0.1
Howden Joinery Group	156,905	215	0.3
Interserve	62,260	200	0.3
John Menzies	32,412	204	0.3
Mitie Group	74,585	204	0.3
Paypoint	25,978	184	0.3
Travis Perkins	2,881	29	-
Wolseley	2,285	53	0.1
<b>Telecommunications – 6.7% (6.0%)</b>			
<b>Fixed line telecommunications – 1.2%</b>			
BT Group	366,023	799	1.2
<b>Mobile telecommunications – 5.5%</b>			
Talk Talk Telecom	79,392	139	0.2
Vodafone Group	1,894,461	3,485	5.3
<b>Health care – 6.7% (7.3%)</b>			
<b>Health care equipment &amp; services – 0.1%</b>			
Smith & Nephew	5,315	35	0.1
<b>Pharmaceuticals &amp; biotechnology – 6.6%</b>			
AstraZeneca	52,183	1,563	2.4
GlaxoSmithKline	178,995	2,613	3.9
Shire	11,086	209	0.3
<b>Utilities – 3.7% (3.4%)</b>			
<b>Electricity – 0.7%</b>			
Drax Group	44,370	209	0.3
SSE	21,739	286	0.4
<b>Gas, water &amp; multiutilities – 3.0%</b>			
Centrica	141,287	455	0.7
National Grid	155,051	1,030	1.6
Pennon Group	27,217	208	0.3
Severn Trent	6,327	109	0.2
United Utilities Group	18,864	130	0.2
<b>Equity investment instruments – 2.3% (2.2%)</b>			
JPM UK Smaller Companies 'I' (Accumulation)^	349,659	1,494	2.3
<b>Technology – 0.9% (1.2%)</b>			
<b>Software &amp; computer services – 0.6%</b>			
Anite	20,637	26	-
Computacenter	48,487	172	0.3
Micro Focus International	38,694	209	0.3
<b>Technology hardware &amp; equipment – 0.3%</b>			
ARM Holdings	15,302	85	0.1
Laird Group	31,092	67	0.1
Spirent Communications	27,698	46	0.1

Investment	Holding	Market value £'000	Total net assets %
<b>Futures – 0.2% (0.1%)</b>			
FTSE 100 Index Futures Sep 2012	68	146	0.2
<b>Liquidity funds – 6.1% (3.7%)</b>			
JPM Sterling Liquidity 'X' (Income)^\$	4,014,138	4,014	6.1
<b>Investment assets</b>		<b>65,835</b>	<b>99.2</b>
<b>Net other assets</b>		<b>506</b>	<b>0.8</b>
<b>Net assets</b>		<b>66,341</b>	<b>100.0</b>

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

The comparative percentage figures in brackets are at 31 January 2012.

^ Deemed to be investment in related parties of the ACD

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

## Portfolio movements

For the six months ending 31 July 2012

	£'000		£'000
<b>Total of all purchases for the period</b>	<b>11,761</b>	<b>Total of all sales for the period</b>	<b>9,681</b>
<b>Major purchases</b>	<b>Cost</b>	<b>Major sales</b>	<b>Proceeds</b>
JPM Sterling Liquidity 'X' (Income)^	2,459	JPM Sterling Liquidity 'X' (Income)^	800
WPP	412	Shire	389
Old Mutual	385	Burberry Group	332
Carnival	324	Aviva	245
AMEC	323	Investec	242
HSBC	283	Weir Group	240
Royal Bank of Scotland Group	277	Smith (DS)	231
Kazakhmys	261	Capital Shopping Centres Group	217
Vodafone Group	256	RPC Group	211
Glencore International	250	Land Securities	208
Mondi	247	Telecity Group	208
Enquest	205	Berkeley Group	200
Shire	204	Unilever	184
Cranswick	202	F&C Asset Management	178
Royal Dutch Shell 'B'	194	Carillion	176
Land Securities	193	Restaurant Group	174
John Menzies	188	GlaxoSmithKline	171
Howden Joinery Group	168	Ladbrokes	165
Rexam	168	Centrica	164
GlaxoSmithKline	163	SABMiller	161

^ Deemed to be investment in related parties of the ACD

# Financial statements

## Statement of total return

(Unaudited)

For the six months ending 31 July

	2012	2011
	£'000	£'000
Income		
Net capital gains	355	318
Revenue	1,308	1,163
Expenses	(129)	(129)
Performance fee	(20)	(44)
Net revenue before taxation	1,159	990
Taxation	-	(2)
Net revenue after taxation	1,159	988
<b>Total return before distributions</b>	<b>1,514</b>	<b>1,306</b>
Finance costs: Distributions	16	(4)
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>1,530</b>	<b>1,302</b>

## Balance sheet

(Unaudited)

As at

	31 July 2012	31 January 2012
	£'000	£'000
<b>ASSETS</b>		
Investment assets	65,835	63,429
Debtors	238	207
Cash and bank balances	312	270
<b>Total other assets</b>	<b>550</b>	<b>477</b>
<b>Total assets</b>	<b>66,385</b>	<b>63,906</b>
<b>LIABILITIES</b>		
Creditors	(44)	(28)
Distribution payable on income shares	-	(2)
<b>Total liabilities</b>	<b>(44)</b>	<b>(30)</b>
<b>Net assets attributable to shareholders</b>	<b>66,341</b>	<b>63,876</b>

## Statement of change in net assets attributable to shareholders

(Unaudited)

For the six months ending 31 July

	2012	2011
	£'000	£'000
<b>Opening net assets attributable to shareholders</b>	<b>63,876</b>	<b>64,263</b>
Amounts receivable on issue of shares	1,116	498
Amounts payable on cancellation of shares	(181)	(914)
	935	(416)
Change in net assets attributable to shareholders from investment activities (see above)	1,530	1,302
Stamp duty reserve tax	-	(1)
<b>Closing net assets attributable to shareholders</b>	<b>66,341</b>	<b>65,148</b>

As the comparatives in the above table are for the previous interim period, the net assets at the end of that period will not agree to the net assets at the start of the current period.

# JPM UK Dynamic Fund

## Investment objective and policy

To maximise long-term capital growth by investing primarily in UK Equities. UK Equities are issued by companies that are incorporated under the laws of, and have their registered office in, the UK, or that derive the predominant part of their economic activity from the UK, even if listed elsewhere. Smaller companies may be held on an ancillary basis.

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

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

## Risk profile

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

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

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

The single market in which the Fund primarily invests, in this case the UK, may be subject to particular political and economic risks and, as a result, the Fund may be more volatile than more broadly diversified funds.

## Fund review

Eurozone debt concerns and weak UK and global economic data contributed to a volatile review period, but UK equities delivered a small positive return.

The Fund, which has a best ideas approach to investing in attractively valued, high quality stocks with positive momentum, fell over the period and underperformed its benchmark. Positive contributors to relative returns included stock selection and overweight positions in the Software & computer services and Household goods & home construction sectors. Stock selection and overweights in Industrial engineering and Technology hardware detracted.

At the stock level, the Fund benefited in relative terms from an overweight position in Telecity Group, a data centre provider, which is seeing strong sales and profits growth as a result of rising demand for cloud computing as companies move to outsource their data hosting. An overweight position in Persimmon was also positive as the homebuilder reported a rise in first-half turnover as sale prices rose and it completed more homes than in the same period a year earlier. Stock-level detractors from relative returns included an overweight position in industrial engineer Fenner, which was hurt by concerns slowing global growth may weigh on demand. An overweight position in ARM Holdings was also detrimental as the semiconductor designer warned of a slowdown in chip royalty sales growth in the second quarter. However, the Fund was boosted by its overweight position in budget airline EasyJet, which reported a narrower first-half loss, helped by a rise in business bookings.

## Fund outlook

Growth concerns and worries over Eurozone debt may contribute to continued volatility, but valuations and dividends remain attractive.

## 12 month performance to 31 July

	2012	2011	2010	2009	2008
<b>JPM UK Dynamic A-Class Acc</b>	<b>-4.7%</b>	<b>16.3%</b>	<b>16.5%</b>	<b>-15.6%</b>	<b>-11.7%</b>
<b>JPM UK Dynamic B-Class Acc</b>	<b>-4.2%</b>	<b>17.0%</b>	<b>17.1%</b>	<b>-15.1%</b>	<b>-</b>
<b>Benchmark Index</b>	<b>0.4%</b>	<b>14.9%</b>	<b>19.4%</b>	<b>-10.5%</b>	<b>-13.3%</b>

## Six month performance to 31 July 2012

<b>JPM UK Dynamic A-Class Acc</b>	<b>-0.8%</b>
<b>Benchmark Index</b>	<b>1.9%</b>

## Fund statistics

<b>Risk and Reward Profile</b>	<b>6</b>
<b>Fund size</b>	<b>£120.8m</b>
<b>Benchmark Index</b>	<b>FTSE All-Share Index (Net)</b>
<b>Fund charges</b>	
A-Class	<b>Initial 4.25%, Annual 1.50%</b>
B-Class	<b>Initial Nil, Annual 1.00%</b>

## Top ten holdings (excluding Liquidity funds) %

Royal Dutch Shell	6.9
British American Tobacco	6.4
Diageo	5.4
BP	3.8
Prudential	3.2
Berkeley Group	3.0
Telecity Group	3.0
GlaxoSmithKline	2.9
Persimmon	2.9
Easyjet	2.6

You should remember that past performance is not a guide to the future. The price of investments and the income from them may fall as well as rise and investors may not get back the full amount invested. For specific risks, including the risk and reward profile, please refer to the Key Investor Information Document (KIID).

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

Source: J.P. Morgan.

Source: FTSE International Limited ("FTSE") © FTSE 2012. "FTSE" is a trade mark of London Stock Exchange Plc and The Financial Times Limited and is used by FTSE International Limited under licence. All rights in the FTSE indices and/or FTSE ratings vest in FTSE and/or its licensors. Neither FTSE nor its licensors accept any liability for any errors or omissions in the FTSE indices and/or FTSE ratings or underlying data. No further distribution of FTSE Data is permitted without FTSE's express written consent.

## Sector breakdown

	%
Consumer goods	25.5
Oil & gas	14.6
Consumer services	13.1
Industrials	12.2
Financials	11.6
Liquidity funds	7.0
Technology	4.5
Health care	4.0
Telecommunications	3.0
Basic materials	2.9
Futures	0.1
Net other assets	1.5

## Highest/lowest share price and distribution record

Calendar year	Highest share price	Lowest share price	Distribution per share (net)
<b>A-Class Accumulation Shares</b>			
2007	108.7p	92.43p	1.31p
2008	104.5p	59.99p	1.35p
2009	88.64p	57.47p	2.24p
2010	102.7p	80.07p	1.08p
2011	106.5p	86.13p	0.81p
2012 <sup>A</sup>	105.8p	91.24p	1.80p
<b>A-Class Income Shares</b>			
2007	101.5p	85.77p	1.24p
2008	96.69p	54.83p	1.25p
2009	78.51p	51.80p	2.03p
2010	89.86p	70.60p	0.96p
2011	93.04p	74.80p	0.71p
2012 <sup>A</sup>	90.99p	78.50p	1.54p
<b>B-Class Accumulation Shares<sup>B</sup></b>			
2007	105.1p	98.00p	-
2008	105.2p	60.54p	1.36p
2009	89.93p	58.11p	2.64p
2010	104.8p	81.54p	1.56p
2011	109.0p	88.30p	1.37p
2012 <sup>A</sup>	108.7p	93.86p	2.36p

<sup>A</sup> To 31 July 2012.

<sup>B</sup> B-Class Accumulation Shares were launched on 20 November 2007.

## Portfolio turnover rate

31.01.12	403.8%
31.07.12	126.6%

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

## Net asset values and Ongoing charges

Date	Net asset value per share class £'000	Number of shares	Net asset value per share	Ongoing charges
<b>A-Class Accumulation Shares</b>				
31.01.10	133,081	160,321,157	83.01p	1.67%
31.01.11	124,699	121,940,489	102.3p	1.67%
31.01.12	103,445	104,819,162	98.69p	1.67%
31.07.12	96,709	99,085,402	97.60p	1.68%
<b>A-Class Income Shares</b>				
31.01.10	99,639	136,234,500	73.14p	1.67%
31.01.11	91,270	102,145,673	89.35p	1.67%
31.01.12	70,389	82,733,057	85.08p	1.67%
31.07.12	21,672	26,042,267	83.22p	1.68%
<b>B-Class Accumulation Shares</b>				
31.01.10	3,485	4,132,104	84.35p	1.14%
31.01.11	3,468	3,319,665	104.5p	1.14%
31.01.12	2,885	2,847,093	101.4p	1.14%
31.07.12	2,373	2,361,698	100.5p	1.15%

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 and any fixed 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 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 31 July 2012

Investment	Holding	Market value £'000	Total net assets %
<b>Consumer goods - 25.5% (16.6%)</b>			
<b>Beverages - 5.4%</b>			
Diageo	375,053	6,481	5.4
<b>Food producers - 1.4%</b>			
Tate & Lyle	266,706	1,750	1.4
<b>Household goods - 9.9%</b>			
Barratt Development	1,213,075	1,626	1.3
Bellway	169,352	1,381	1.1
Berkeley Group	266,129	3,659	3.0
Persimmon	576,247	3,550	2.9
Taylor Wimpey	4,327,951	1,932	1.6
<b>Tobacco - 8.8%</b>			
British American Tobacco	224,571	7,678	6.4
Imperial Tobacco Group	117,478	2,908	2.4
<b>Oil &amp; gas - 14.6% (20.4%)</b>			
<b>Oil &amp; gas producers - 14.1%</b>			
BG Group	225,445	2,895	2.4
BP	1,096,321	4,660	3.8
Royal Dutch Shell 'A'	137,021	2,998	2.5
Royal Dutch Shell 'B'	232,920	5,284	4.4
Tullow Oil	91,177	1,194	1.0
<b>Oil equipment, services &amp; distribution - 0.5%</b>			
Hunting	75,925	584	0.5
<b>Consumer services - 13.1% (6.1%)</b>			
<b>Food &amp; drug retails - 1.4%</b>			
Booker Group	1,263,089	1,161	1.0
Sainsbury (J)	133,698	427	0.4
<b>General retailers - 4.5%</b>			
Debenhams	1,183,445	1,096	0.9
Next	74,832	2,428	2.0
Sports Direct International	306,440	879	0.7
WH Smith	186,863	1,039	0.9
<b>Media - 3.5%</b>			
Moneysupermarket.Com Group	641,715	913	0.8
Rightmove Group	47,830	733	0.6
WPP	311,257	2,557	2.1
<b>Travel &amp; leisure - 3.7%</b>			
Easyjet	564,629	3,193	2.6
Whitbread	63,822	1,367	1.1
<b>Industrials - 12.2% (13.7%)</b>			
<b>Aerospace &amp; defence - 0.8%</b>			
Cobham	420,432	977	0.8
<b>Electronics &amp; electrical equipment - 3.4%</b>			
Oxford Instruments	219,921	2,749	2.3
Spectris	86,942	1,365	1.1
<b>Industrial engineering - 1.3%</b>			
Bodycote	285,070	936	0.8
Spirax Sarco Engineering	31,399	619	0.5
<b>Support services - 6.7%</b>			
Ashtead Group	826,387	2,117	1.7
Babcock International Group	225,062	1,942	1.6
Interserve	368,038	1,183	1.0
John Menzies	452,848	2,848	2.4
<b>Financials - 11.6% (10.0%)</b>			
<b>Banks - 3.8%</b>			
Barclays	857,286	1,437	1.2
HSBC	221,821	1,185	1.0
Standard Chartered	128,723	1,905	1.6
<b>Financial services - 3.1%</b>			
Aberdeen Asset Management	486,389	1,266	1.0
International Personal Finance	47,187	138	0.1
Provident Financial	184,192	2,389	2.0
<b>Life insurance - 3.7%</b>			
Legal & General Group	430,796	554	0.5
Prudential	499,393	3,865	3.2
<b>Nonlife insurance - 1.0%</b>			
Lancashire	157,980	1,254	1.0

Investment	Holding	Market value £'000	Total net assets %
<b>Technology - 4.5% (4.5%)</b>			
<b>Software &amp; computer services - 4.5%</b>			
Invensys	41,494	100	0.1
Micro Focus International	317,231	1,713	1.4
Telety Group	420,733	3,610	3.0
<b>Health care - 4.0% (7.7%)</b>			
<b>Pharmaceuticals &amp; biotechnology - 4.0%</b>			
BTG	152,892	575	0.5
Genus	59,245	746	0.6
GlaxoSmithKline	244,142	3,564	2.9
<b>Telecommunications - 3.0% (5.4%)</b>			
<b>Mobile telecommunications - 3.0%</b>			
Talk Talk Telecom	636,585	1,111	0.9
Vodafone Group	1,352,310	2,488	2.1
<b>Basic materials - 2.9% (11.1%)</b>			
<b>Chemicals - 1.8%</b>			
Croda International	59,839	1,413	1.2
Elementis	326,965	672	0.6
<b>Mining - 1.1%</b>			
Xstrata	160,382	1,371	1.1
<b>Futures - 0.1% (0.0%)</b>			
FTSE 100 Index Futures Sep 2012	70	88	0.1
<b>Liquidity funds - 7.0% (0.0%)</b>			
JPM Sterling Liquidity 'X' (Income)^\$	8,442,548	8,443	7.0
<b>Investment assets</b>		<b>118,996</b>	<b>98.5</b>
<b>Net other assets</b>		<b>1,758</b>	<b>1.5</b>
<b>Net assets</b>		<b>120,754</b>	<b>100.0</b>

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

The comparative percentage figures in brackets are at 31 January 2012.

^ Deemed to be investment in related parties of the ACD

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

## Portfolio movements

For the six months ending 31 July 2012

	£'000		£'000
<b>Total of all purchases for the period</b>	<b>154,121</b>	<b>Total of all sales for the period</b>	<b>206,772</b>
<b>Major purchases</b>	<b>Cost</b>	<b>Major sales</b>	<b>Proceeds</b>
JPM Sterling Liquidity 'X' (Income)^	72,997	JPM Sterling Liquidity 'X' (Income)^	64,554
Diageo	5,964	BG Group	6,770
Lloyds Banking Group	4,839	Vodafone Group	6,521
HSBC	3,477	BP	6,510
Berkeley Group 'B'	3,097	Rio Tinto	5,656
Aberdeen Asset Management	2,615	AstraZeneca	4,998
Babcock International Group	2,576	Lloyds Banking Group	4,857
Standard Chartered	2,451	GlaxoSmithKline	4,453
Provident Financial	2,404	HSBC	4,177
Vodafone Group	2,384	BT Group	3,946
Next	2,383	Prudential	3,836
Hunting	2,311	ARM Holdings	3,786
Easyjet	2,308	BHP Billiton	3,765
GlaxoSmithKline	2,270	Barclays	3,461
Bodycote International	2,126	Royal Dutch Shell 'A'	3,461
BT Group	2,042	Anglo American	2,999
WPP	1,971	British American Tobacco	2,925
Imagination Technologies Group	1,871	Antofagasta	2,801
Ladbroke's	1,827	Fenner	2,739
Telecity Group	1,794	National Grid	2,670

^ Deemed to be investment in related parties of the ACD

# Financial statements

## Statement of total return

(Unaudited)

For the six months ending 31 July

	2012	2011
£'000	£'000	£'000
Income		
Net capital losses	(1,530)	(1,004)
Revenue	2,287	3,180
Expenses	(1,099)	(1,770)
Net revenue before taxation	1,188	1,410
Taxation	(16)	(62)
Net revenue after taxation	1,172	1,348
<b>Total return before distributions</b>	<b>(358)</b>	<b>344</b>
Finance costs: Distributions	(1,176)	(1,348)
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>(1,534)</b>	<b>(1,004)</b>

## Balance sheet

(Unaudited)

As at

	31 July 2012	31 January 2012
£'000	£'000	£'000
<b>ASSETS</b>		
Investment assets	118,996	173,170
Debtors	4,804	24,265
Cash and bank balances	298	389
<b>Total other assets</b>	<b>5,102</b>	<b>24,654</b>
<b>Total assets</b>	<b>124,098</b>	<b>197,824</b>
<b>LIABILITIES</b>		
Creditors	(3,149)	(20,451)
Distribution payable on income shares	(195)	(654)
<b>Total liabilities</b>	<b>(3,344)</b>	<b>(21,105)</b>
<b>Net assets attributable to shareholders</b>	<b>120,754</b>	<b>176,719</b>

## Statement of change in net assets attributable to shareholders

(Unaudited)

For the six months ending 31 July

	2012	2011
£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>	<b>176,719</b>	<b>219,437</b>
Amounts receivable on issue of shares	806	6,214
Amounts payable on cancellation of shares	(56,138)	(18,273)
	(55,332)	(12,059)
Change in net assets attributable to shareholders from investment activities (see above)	(1,534)	(1,004)
Retained distributions on accumulation shares	909	726
Stamp duty reserve tax	(8)	(25)
<b>Closing net assets attributable to shareholders</b>	<b>120,754</b>	<b>207,075</b>

As the comparatives in the above table are for the previous interim period, the net assets at the end of that period will not agree to the net assets at the start of the current period.

# JPM UK Equity & Bond Income Fund

## Investment objective and policy

To provide a high and stable income, with the prospect of capital and income growth over the long term, by investing in a balanced portfolio of securities.

The Fund currently invests predominantly in a balanced portfolio of blue chip UK Equities, gilt edged securities and other UK fixed interest instruments.

UK Equities are Equities issued by companies that are incorporated under the laws of, and have their registered office in, the UK, or that derive the predominant part of their economic activity from the UK, even if listed elsewhere. Smaller companies may be held on an ancillary basis.

UK fixed interest instruments may include Sterling denominated Bonds and other Debt Securities of non-UK issuers.

The Fund may invest up to 100% in government and public securities (see section 3.11 (e) of the Prospectus).

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

## Risk profile

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

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

The value of Bonds and other Debt Securities may change significantly depending on market, economic and interest rate conditions as well as creditworthiness of the issuer. Issuers of Bonds and other Debt Securities may fail to meet payment obligations (default) or the credit rating of Bonds and other Debt Securities may be downgraded.

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

The Fund will have significant exposure to the UK and may therefore be more volatile than more broadly diversified funds.

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

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

## Fund review

Eurozone debt concerns and weak UK and global economic data contributed to high levels of volatility in the review period. UK equities delivered a small positive return. Investment grade corporate bonds produced stronger positive performance, supported by robust corporate fundamentals and low interest rates.

Against this backdrop, the Fund underperformed its benchmark. In the equity portfolio, the Fund benefited in relative terms from stock selection and an underweight position in the mining sector, as global growth concerns weighed on commodity prices. Stock selection in general retailers also contributed positively. Stock selection and an overweight position in the industrial engineering sector detracted, as did stock selection in electricity.

In the fixed income portfolio, defensive positioning in April, May and June detracted from relative performance. Performance picked up towards the end of the period, when we added more credit names to the portfolio. Our decision to remain underweight banks relative to the benchmark, combined with the continued strength of the supranational markets, added value earlier in the period.

## Fund outlook

Growth concerns and worries over eurozone debt may contribute to continued volatility, but equity valuations and dividends remain attractive. We think that sovereign yields have limited upside from here and anticipate closing out some of the government bond positions and adding more credit and agency names to increase the yield in the portfolio.

## 12 month performance to 31 July

	2012	2011	2010	2009	2008
<b>JPM UK Equity &amp; Bond Income A-Class Acc</b>	<b>0.6%</b>	<b>12.1%</b>	<b>15.3%</b>	<b>-7.2%</b>	<b>-12.4%</b>
Benchmark Index	3.6%	12.4%	16.3%	-4.9%	-8.0%

## Six month performance to 31 July 2012

<b>JPM UK Equity &amp; Bond Income A-Class Acc</b>	<b>2.7%</b>
Benchmark Index	3.1%

## Fund statistics

Risk and Reward Profile	<b>6</b>
Fund size	<b>£154.2m</b>
Benchmark Index	<b>70% FTSE All-Share Index (Net)/ 30% BofA Merrill Lynch Euro-Sterling AA1-AAA Rated Index</b>
Fund charges	<b>Initial 3.50%, Annual 1.50%</b>

## Top ten holdings (excluding Liquidity funds) %

Royal Dutch Shell 'B'	6.4
HSBC	4.6
BP	4.0
Vodafone Group	4.0
GlaxoSmithKline	3.5
BHP Billiton	2.5
AstraZeneca	2.4
British American Tobacco	2.0
International Bank Corporation 5.375% 2028	1.8
European Investment Bank 6.25% 2014	1.8

You should remember that past performance is not a guide to the future. The price of investments and the income from them may fall as well as rise and investors may not get back the full amount invested. For specific risks, including the risk and reward profile, please refer to the Key Investor Information Document (KIID).

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

Blended benchmarks have been calculated by JPMAM.

Source: J.P. Morgan.

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## Sector breakdown

	%
Corporate bonds	21.0
Financials	13.3
Oil & gas	12.6
Consumer goods	8.9
Consumer services	7.3
Basic materials	6.9
Government bonds	6.9
Industrials	6.5
Telecommunications	6.2
Health care	6.0
Utilities	1.4
Technology	1.3
Liquidity funds	0.9
Net other assets	0.8

## Highest/lowest share price and distribution record

Calendar year	Highest share price	Lowest share price	Distribution per share (net)
<b>A-Class Accumulation Shares</b>			
2007	103.5p	92.70p	3.64p
2008	96.53p	67.03p	3.79p
2009	90.63p	65.29p	3.37p
2010	102.3p	85.92p	3.24p
2011	106.0p	91.16p	3.65p
2012 <sup>A</sup>	105.4p	97.92p	2.89p
<b>A-Class Income Shares</b>			
2007	82.99p	73.02p	2.93p
2008	75.91p	51.14p	2.94p
2009	65.27p	48.65p	2.49p
2010	71.03p	60.64p	2.30p
2011	72.45p	61.69p	2.50p
2012 <sup>A</sup>	70.06p	64.35p	1.92p

<sup>A</sup> To 31 July 2012.

## Portfolio turnover rate

31.01.12	70.5%
31.07.12	37.5%

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

## Net asset values and Ongoing charges

Date	Net asset value per share class £'000	Number of shares	Net asset value per share	Ongoing charges
<b>A-Class Accumulation Shares</b>				
31.01.10	104,334	118,632,267	8795p	1.67%
31.01.11	105,753	104,823,687	100.9p	1.67%
31.01.12	96,319	95,278,700	101.1p	1.67%
31.07.12	93,984	90,581,242	103.8p	1.68%
<b>A-Class Income Shares</b>				
31.01.10	71,307	113,639,668	62.75p	1.67%
31.01.11	70,993	102,068,550	69.55p	1.67%
31.01.12	62,963	93,722,072	67.18p	1.67%
31.07.12	60,250	89,154,044	67.58p	1.68%

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 and any fixed 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 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 31 July 2012

Investment	Holding	Market value £'000	Total net assets %
<b>Fixed interest - 27.9% (24.8%)</b>			
<b>Corporate bonds - 21.0% (18.3%)</b>			
<b>Non-convertible - 21.0%</b>			
Anglian Water 4.5% 2027	£500,000	555	0.4
Bank Nederlandse Gemeenten 5.375% 2021	£889,000	1,081	0.7
Bank of Scotland 9.375% 2021	£1,750,000	1,805	1.2
Citigroup 5.125% 2018	£2,000,000	2,025	1.3
EDF 5.875% 2031	£1,000,000	1,176	0.8
France Telecom 8% 2017	£1,000,000	1,273	0.8
France Telecom 5.625% 2034	£750,000	864	0.6
General Electric Capital 6.75% 2018	£1,000,000	1,213	0.8
General Electric Capital 6.25% 2020	£1,691,000	2,041	1.3
GlaxoSmithKline Capital 5.25% 2033	£1,500,000	1,900	1.2
Lloyds Banking Group 7.5% 2024	£1,000,000	1,218	0.8
National Westminster Bank 6.5% 2021	£1,200,000	1,035	0.7
Procter & Gamble 6.25% 2030	£1,597,000	2,239	1.5
Prudential 6.88% 2033	£1,400,000	1,803	1.2
Reseau Ferre de France 5.25% 2028	£2,145,000	2,460	1.6
SLM Student Loan Trust 5.15% 2015	£1,539,000	1,269	0.8
Thames Water Utilities Finance 6.75% 2028	£500,000	696	0.5
United Parcel Service 5.5% 2031	£2,000,000	2,551	1.7
Vodafone Group 5.375% 2017	£1,500,000	1,749	1.1
Wal-Mart Stores 5.75% 2030	£1,317,000	1,758	1.1
Wal-Mart Stores 5.25% 2035	£1,100,000	1,375	0.9
<b>Government bonds - 6.9% (6.5%)</b>			
<b>International authority - 5.3%</b>			
European Investment Bank 6.25% 2014	£2,500,000	2,729	1.8
European Investment Bank 5.5% 2025	£1,000,000	1,267	0.8
European Investment Bank 5.625% 2032	£560,000	731	0.5
International Bank Corporation 5.375% 2028	£2,043,000	2,791	1.8
International Bank for Reconstruction & Development 5.75% 2032	£400,000	572	0.4
<b>Sovereign debt - 1.6%</b>			
KfW International Finance 3.25% 2014	£1,000,000	1,042	0.7
Treasury 8.75% 2017	£1,000,000	1,409	0.9
<b>UK equities - 70.4% (72.3%)</b>			
<b>Financials - 13.3% (16.1%)</b>			
<b>Banks - 6.3%</b>			
Barclays	987,806	1,656	1.1
HSBC	1,326,889	7,088	4.6
Lloyds Banking Group	2,183,028	671	0.4
Standard Chartered	14,115	209	0.2
<b>Equity investment instruments - 1.6%</b>			
JPMorgan Income & Growth Investment Trust (Income)^	3,405,927	2,469	1.6
<b>General financial - 1.2%</b>			
Aberdeen Asset Management	252,769	658	0.4
Brookwell Preference 'D'	4,616	2	-
International Personal Finance	24,479	71	-
Provident Financial	97,318	1,262	0.8
<b>Life insurance - 2.0%</b>			
Legal & General Group	1,110,810	1,428	0.9
Prudential	208,066	1,610	1.1
<b>Nonlife insurance - 1.8%</b>			
Beazley Group	340,164	538	0.3
Catlin Group	104,631	454	0.3
Lancashire Holdings	215,367	1,710	1.1
Novae Group	30,221	108	0.1
<b>Real estate - 0.4%</b>			
Capital & Regional	99,323	23	-
CLS	13,592	88	0.1
Development Securities	51,410	70	-
LSL Property Services	34,180	73	-
Quintain Estates & Development	212,265	105	0.1
St Modwen Properties	59,511	105	0.1
Unite Group	55,534	117	0.1

Investment	Holding	Market value £'000	Total net assets %
<b>Oil &amp; gas - 12.6% (14.2%)</b>			
<b>Oil &amp; gas producers - 11.7%</b>			
Amerisur Resources	54,000	20	-
BG Group	51,325	659	0.4
Bowleven	27,500	17	-
BP	1,453,006	6,176	4.0
Cove Energy*	27,144	65	-
Exillon Energy	53,470	51	-
Faroe Petroleum	18,000	27	-
Nautical Petroleum	26,836	121	0.1
Oilex	70,226	4	-
Ophir Energy	104,882	618	0.4
Providence Resources	4,300	28	-
Royal Dutch Shell 'B'	434,765	9,863	6.4
Trap Oil Group	69,000	12	-
Tullow Oil	49,034	642	0.4
Valiant Petroleum	5,300	23	-
<b>Oil equipment, services &amp; distribution - 0.9%</b>			
Cape	40,852	119	0.1
Enteq Upstream	9,052	10	-
Kentz	15,759	60	-
Lamprell	76,000	61	-
Petrofac	78,857	1,180	0.8
<b>Consumer goods - 8.9% (9.0%)</b>			
<b>Automobiles &amp; parts - 0.9%</b>			
GKN	654,013	1,389	0.9
<b>Beverages - 1.6%</b>			
Diageo	142,515	2,463	1.6
<b>Food producers - 1.0%</b>			
Anglo-Eastern Plantations	8,393	62	-
Asian Plantations	14,573	32	-
Cranwick	21,686	185	0.1
Dairy Crest Group	146,580	493	0.3
Devro	14,846	44	-
Greencore Group	161,800	125	0.1
Hilton Food Group	28,817	75	-
M.P. Evans Group*	5,261	27	-
Unilever	30,930	707	0.5
<b>Household goods - 2.2%</b>			
Barratt Developments	192,727	258	0.2
Bellway	71,955	587	0.4
Bovis Homes Group	88,318	398	0.3
Persimmon	113,326	698	0.5
Taylor Wimpey	2,543,433	1,136	0.8
<b>Personal goods - 0.0%</b>			
Mulberry Group	1,165	17	-
<b>Tobacco - 3.2%</b>			
British American Tobacco	90,621	3,098	2.0
Imperial Tobacco Group	74,924	1,854	1.2
<b>Consumer services - 7.3% (4.1%)</b>			
<b>Food &amp; drug retailers - 0.5%</b>			
Morrison (Wm.) Supermarkets	276,379	763	0.5
<b>General retailers - 2.3%</b>			
Debenhams	843,149	781	0.5
Next	60,258	1,955	1.3
WH Smith	145,459	809	0.5
<b>Media - 1.2%</b>			
Chime Communications	35,234	64	-
Entertainment One	44,292	70	-
ITE Group	15,677	30	-
ITV	1,601,509	1,215	0.8
Mood Media	31,900	56	-
Tarsus Group	36,876	61	-
WPP	68,125	560	0.4
<b>Travel &amp; leisure - 3.3%</b>			
	888	25	-
Cupid	11,849	23	-
Easyjet	386,542	2,186	1.4
Fuller Smith & Turner 'A'	12,766	89	0.1
Greene King	100,112	605	0.4
Ladbroke	350,470	546	0.4
Snoozebox	62,070	32	-
Spirit Pub	55,743	29	-
Sportingbet	254,908	85	0.1
Thomas Cook Group	117,374	19	-
TUI Travel	193,468	352	0.2
William Hill	336,746	1,060	0.7

# Portfolio statement – continued

As at 31 July 2012

Investment	Holding	Market value £'000	Total net assets %
<b>Basic materials – 6.9% (8.0%)</b>			
<b>Chemicals – 0.6%</b>			
Carclo	33,375	146	0.1
Elementis	332,717	684	0.4
Yule Catto & Co	55,663	79	0.1
<b>Forestry &amp; paper – 0.9%</b>			
Mondi	266,687	1,457	0.9
<b>Industrial metals – 0.1%</b>			
Ferrexpo	42,583	79	0.1
International Ferro Metals	217,196	28	-
<b>Mining – 5.3%</b>			
Anglo American	36,745	704	0.5
Anglo Pacific Group	10,671	24	-
Avocet Mining	17,736	14	-
BHP Billiton	201,008	3,788	2.5
Gemfields Resources	80,800	30	-
Rio Tinto	90,134	2,687	1.7
Xstrata	97,845	836	0.6
<b>Industrials – 6.5% (5.8%)</b>			
<b>Aerospace &amp; defense – 2.8%</b>			
Avon Rubber	24,091	73	-
BAE Systems	858,537	2,673	1.7
Cobham	439,184	1,021	0.7
QinetiQ Group	300,744	509	0.3
Senior	64,813	125	0.1
<b>Construction &amp; materials – 0.3%</b>			
Costain	23,726	49	-
Galliford Try	49,976	304	0.2
Morgan Sindall	13,206	88	0.1
<b>Electronics &amp; electrical equipment – 0.7%</b>			
Dialight	12,072	123	0.1
E2V Technologies	116,100	130	0.1
Morgan Crucible	156,857	394	0.3
Oxford Instruments	10,451	131	0.1
TT electronics	65,458	98	0.1
Volex Group	29,594	68	-
<b>General industrials – 0.3%</b>			
Rexam	84,577	371	0.2
RPC Group	30,284	124	0.1
<b>Industrial engineering – 0.4%</b>			
Bodycote	123,704	406	0.3
Fenner	30,615	108	0.1
Hill & Smith	6,143	19	-
Renold	145,171	41	-
Severfield-Rowen	34,586	50	-
<b>Industrial transportation – 0.1%</b>			
Clarkson	5,865	75	0.1
<b>Support services – 1.9%</b>			
Ashtead Group	43,239	111	0.1
Brammer	56,644	125	0.1
De La Rue	49,071	501	0.3
Diploma	27,748	114	0.1
Fiberweb	83,015	54	-
Hargreaves Services	10,366	75	-
Harvey Nash Group	51,217	26	-
Hogg Robinson Group	130,823	76	0.1
Howden Joinery Group	17,211	24	-
Hyder Consulting	32,214	121	0.1
Interserve	196,977	633	0.4
John Menzies	37,884	238	0.2
Lonrho	634,200	46	-
Mitie Group	248,393	678	0.4
Robert Walters	9,788	17	-
Shaft Sinkers	19,141	13	-
Smith News	8,354	9	-
St Ives	56,605	38	-
Staffline Group	11,600	26	-
Tribal Group	109,124	91	0.1
<b>Telecommunications – 6.2% (5.9%)</b>			
<b>Fixed line telecommunications – 2.0%</b>			
Alternative Networks	10,474	24	-
BT Group	1,106,107	2,415	1.6
KCOM Group	115,704	90	0.1
Telecom Plus	48,620	389	0.3
<b>Mobile telecommunications – 4.2%</b>			
Monitise	67,100	18	-
Talk Talk Telecom	166,145	290	0.2
Vodafone Group	3,354,071	6,170	4.0

Investment	Holding	Market value £'000	Total net assets %
<b>Health care – 6.0% (6.4%)</b>			
<b>Health care equipment &amp; services – 6.0%</b>			
Abcam	12,780	52	-
AstraZeneca	125,917	3,771	2.4
GlaxoSmithKline	369,509	5,395	3.5
Immunodiagnostic Systems	5,348	13	-
Vectura Group	141,630	97	0.1
<b>Utilities – 1.4% (1.9%)</b>			
<b>Electricity – 0.4%</b>			
Drax Group	142,677	671	0.4
OPG Power Venture	40,120	16	-
<b>Gas, water &amp; multiutilities – 1.0%</b>			
National Grid	153,667	1,021	0.7
United Utilities Group	75,419	518	0.3
<b>Technology – 1.3% (0.9%)</b>			
<b>Software &amp; computer services – 1.3%</b>			
Advanced Computer Software	53,867	32	-
Anite	102,914	132	0.1
AVEVA Group	1,257	22	-
Computacenter	153,761	546	0.4
Innovation Group	394,400	72	-
Iomart Group	16,800	24	-
K3 Business Technology Group	9,454	15	-
Lo-Q	5,379	17	-
Micro Focus International	186,717	1,008	0.7
NCC Group	15,079	123	0.1
<b>Technology hardware &amp; equipment – 0.0%</b>			
CSR	9,400	30	-
Pace	45,370	70	-
Telit Communications	24,826	13	-
<b>Liquidity funds – 0.9% (2.7%)</b>			
JPM Sterling Liquidity 'X' (Income)^\$	1,396,478	1,396	0.9
<b>Investment assets</b>		<b>152,963</b>	<b>99.2</b>
<b>Net other assets</b>		<b>1,271</b>	<b>0.8</b>
<b>Net assets</b>		<b>154,234</b>	<b>100.0</b>

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

The comparative percentage figures in brackets are at 31 January 2012.

\* Listed on Alternative Investment Market (AIM)

^ Deemed to be investment in related parties of the ACD

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

Portfolio credit ratings	Market value £'000
AAA	11,622
AA+	3,729
AA	3,133
AA-	4,790
A+	6,330
A	3,021
A-	5,137
BBB-	3,830
BB+	1,035
<b>Total bonds</b>	<b>42,627</b>
Equities	108,940
Liquidity funds	1,396
<b>Investment assets</b>	<b>152,963</b>

## Portfolio movements

For the six months ending 31 July 2012

	£'000		£'000
<b>Total of all purchases for the period</b>	<b>34,047</b>	<b>Total of all sales for the period</b>	<b>41,793</b>
<b>Major purchases</b>	<b>Cost</b>	<b>Major sales</b>	<b>Proceeds</b>
JPM Sterling Liquidity 'X' (Income)^	3,165	JPM Sterling Liquidity 'X' (Income)^	6,015
BAE Systems	2,382	British American Tobacco	2,809
Easyjet	2,068	Wal-Mart Stores 4.75% 2013	1,533
Vodafone Group 5.375% 2017	1,760	Treasury 8% 2013	1,420
ITV	1,605	Aviva	1,362
Mondi	1,510	Italy 6% 2028	1,295
Treasury 8.75% 2017	1,407	Hammerson	1,260
European Investment Bank 5.5% 2025	1,275	BG Group	1,122
Lloyds Banking Group 7.5% 2024	1,230	Vodafone Group	1,022
Diageo	1,118	SABMiller	1,016
Cobham	996	Centrica 5.875% 2012	1,015
Fenner	900	Unilever	976
Taylor Wimpey	805	Rolls Royce Group	975
Thames Water Utilities Finance 6.75% 2028	697	Resolution	953
Persimmon	687	Royal Dutch Shell 'B'	864
Debenhams	686	Anglo American	835
BT Group	677	Weir Group	783
Aberdeen Asset Management	661	Sports Direct International	762
Greene King	598	Derwent London	752
WPP	574	Rightmove Group	748

^ Deemed to be investment in related parties of the ACD

# Financial statements

## Statement of total return

(Unaudited)

For the six months ending 31 July

	£'000	2012 £'000	£'000	2011 £'000
Income				
Net capital gains		1,890		1,948
Revenue	3,507		3,655	
Expenses	(1,312)		(1,454)	
Net revenue before taxation	2,195		2,201	
Taxation	-		(4)	
Net revenue after taxation		2,195		2,197
<b>Total return before distributions</b>		<b>4,085</b>		<b>4,145</b>
Finance costs: Distributions		(3,190)		(3,323)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>895</b>		<b>822</b>

## Balance sheet

(Unaudited)

As at

	31 July 2012		31 January 2012	
	£'000	£'000	£'000	£'000
<b>ASSETS</b>				
Investment assets		152,963		158,947
Debtors	1,796		1,301	
Cash and bank balances	444		47	
<b>Total other assets</b>		<b>2,240</b>		<b>1,348</b>
<b>Total assets</b>		<b>155,203</b>		<b>160,295</b>
<b>LIABILITIES</b>				
Creditors	(425)		(498)	
Distribution payable on income shares	(544)		(515)	
<b>Total liabilities</b>		<b>(969)</b>		<b>(1,013)</b>
<b>Net assets attributable to shareholders</b>		<b>154,234</b>		<b>159,282</b>

## Statement of change in net assets attributable to shareholders

(Unaudited)

For the six months ending 31 July

	£'000	2012 £'000	£'000	2011 £'000
<b>Opening net assets attributable to shareholders</b>		<b>159,282</b>		<b>176,746</b>
Amounts receivable on issue of shares	79		69	
Amounts payable on cancellation of shares	(7,923)		(8,402)	
		(7,844)		(8,333)
Change in net assets attributable to shareholders from investment activities (see above)		895		822
Retained distributions on accumulation shares		1,902		1,956
Stamp duty reserve tax		(4)		(4)
Unclaimed distributions		3		-
<b>Closing net assets attributable to shareholders</b>		<b>154,234</b>		<b>171,187</b>

As the comparatives in the above table are for the previous interim period, the net assets at the end of that period will not agree to the net assets at the start of the current period.

# JPM UK Equity Fund

## Investment objective and policy<sup>A</sup>

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

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

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

## Risk profile

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

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

The single market in which the Fund primarily invests, in this case the UK, may be subject to particular political and economic risks and, as a result, the Fund may be more volatile than more broadly diversified funds.

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

Eurozone debt concerns and weak UK and global economic data contributed to a volatile review period, but UK equities delivered a small positive return.

The Fund, which invests in attractively valued, high quality UK stocks with positive momentum, outperformed its benchmark over the review period. Positive contributors to relative returns included an underweight position in the Mining sector and stock selection and an underweight position in Oil & gas producers. Stock selection and underweights in Tobacco and Beverages detracted.

At the stock level, the Fund benefited in relative terms from not holding Mining group Xstrata, which was hurt by falling commodity prices and by worries that its planned merger with Glencore may not go through. BG Group was also positive as the Oil and gas company raised the expected costs of an Australian liquefied natural gas project as a rise in the Australian dollar pushed up raw material and labour costs. Stock-level detractors from relative returns included an underweight position in British American Tobacco, which posted a rise in first-half profit on strong emerging market demand and price increases. An underweight position in Diageo was also detrimental as the maker of alcoholic beverages reported strong fiscal third-quarter earnings on robust demand from emerging markets and North America. However, relative returns were boosted by the Fund's overweight position in Talk Talk Telecom. The Mobile Telecommunications company reported strong results for its 2012 financial year, raised its guidance and said it would grow its dividend by at least 15% annually over the next two years.

## Fund outlook

Growth concerns and worries over Eurozone debt may contribute to continued volatility, but valuations and dividends remain attractive.

## 12 month performance to 31 July

	2012	2011	2010	2009	2008
<b>JPM UK Equity A-Class Acc</b>	<b>-1.2%</b>	<b>13.7%</b>	<b>17.2%</b>	<b>-22.9%</b>	<b>-14.7%</b>
Benchmark Index	0.4%	14.9%	19.4%	-10.5%	-13.3%

## Six month performance to 31 July 2012

<b>JPM UK Equity A-Class Acc</b>	<b>3.3%</b>
Benchmark Index	1.9%

## Fund statistics

Risk and Reward Profile	6
Fund size	£233.2m
Benchmark Index	FTSE All-Share Index (Net)
Fund charges	Initial 4.25%, Annual 1.50%

## Top ten holdings (excluding Liquidity funds)

	%
Royal Dutch Shell 'B'	6.8
HSBC	4.7
GlaxoSmithKline	4.4
Vodafone Group	4.4
JPM UK Smaller Companies 'I' (Accumulation) <sup>^</sup>	3.1
BP	2.4
British American Tobacco	2.0
Imperial Tobacco Group	1.7
National Grid	1.5
Prudential	1.4

<sup>^</sup> Deemed to be investment in related parties of the ACD

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).

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

Source: J.P. Morgan.

Formerly JPM Premier Equity Growth Fund, the Fund name was changed on 01/08/11.

<sup>A</sup> On 01/08/11 the investment objective and policy of the Fund was changed.

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## Sector breakdown

	%
Financials	17.7
Consumer services	14.3
Industrials	13.5
Consumer goods	11.8
Oil & gas	11.4
Telecommunications	6.5
Health care	6.3
Basic materials	5.0
Liquidity funds	4.1
Utilities	3.3
Equity investment instruments	3.1
Technology	2.2
Futures	0.1
Net other assets	0.7

## Highest/lowest share price and distribution record

Calendar year	Highest share price	Lowest share price	Distribution per share (net)
<b>A-Class Accumulation Shares</b>			
2007	393.3p	332.0p	4.52p
2008	364.2p	193.6p	6.24p
2009	280.2p	186.2p	6.79p
2010	322.6p	255.0p	5.19p
2011	335.3p	265.9p	4.66p
2012 <sup>a</sup>	326.7p	293.0p	5.62p
<b>A-Class Income Shares<sup>c</sup></b>			
2007	50.80p	42.73p	0.00p
2008	46.67p	24.81p	0.17p
2009	34.76p	23.10p	0.89p
2010	39.24p	31.03p	0.65p
2011	40.20p	31.87p	0.56p
2012 <sup>b</sup>	38.45p	34.49p	0.67p

<sup>a</sup> To 31 July 2012.

<sup>c</sup> A-Class Income Shares were launched on 2 January 2007.

## Portfolio turnover rate

31.01.12	147.7%
31.07.12	70.4%

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

## Net asset values and Ongoing charges

Date	Net asset value per share class £'000	Number of shares	Net asset value per share	Ongoing charges
<b>A-Class Accumulation Shares</b>				
31.01.10	264,112	99,063,456	266.6p	1.67%
31.01.11	268,569	84,510,540	317.8p	1.67%
31.01.12	235,100	76,997,542	305.3p	1.67%
31.07.12	232,885	73,851,294	315.3p	1.67%
<b>A-Class Income Shares</b>				
31.01.10 <sup>d</sup>	1,079	3,325,508	32.43p	1.66%
31.01.11 <sup>d</sup>	485	1,272,150	38.10p	1.68%
31.01.12 <sup>d</sup>	341	949,751	35.93p	1.68%
31.07.12	364	979,588	37.11p	1.68%

<sup>d</sup> The net asset value and the net asset value per income share are shown ex-dividend at the financial year end.

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 and any fixed 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 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 31 July 2012

Investment	Holding	Market value £'000	Total net assets %	Investment	Holding	Market value £'000	Total net assets %
<b>Financials – 17.7% (15.9%)</b>				<b>Travel &amp; leisure – 5.1%</b>			
<b>Banks – 7.5%</b>				Carnival			
Barclays	1,972,269	3,307	1.4	Compass Group	26,150	566	0.3
HSBC	2,050,123	10,952	4.7	Domino's Pizza	178,312	1,243	0.5
Lloyds Banking Group	2,777,958	853	0.4	Easyjet	60,687	313	0.1
Standard Chartered	156,750	2,320	1.0	Go-Ahead Group	166,113	939	0.4
<b>Financial services – 0.9%</b>				Greene King			
Hargreaves Lansdown	67,303	385	0.2	Intercontinental Hotels Group	30,061	390	0.2
ICAP	99,210	317	0.1	Ladbrokes	171,489	1,036	0.5
International Personal Finance	266,162	774	0.3	Marston's	34,400	542	0.2
Jupiter Fund Management	125,500	272	0.1	Millennium & Copthorne Hotels	509,722	794	0.4
Schroders	27,362	355	0.2	Mitchells & Butlers	707,340	789	0.3
<b>General financial – 2.2%</b>				National Express Group			
Aberdeen Asset Management	348,650	908	0.4	Restaurant Group	192,300	408	0.2
Close Brothers Group	40,000	299	0.1	Stagecoach Group	99,708	327	0.2
Intermediate Capital Group	317,668	826	0.4	TUI Travel	297,093	844	0.4
London Stock Exchange Group	95,527	938	0.4	Wetherspoon (J.D.)	426,688	777	0.3
Paragon Group of Companies	240,654	436	0.2	Whitbread	62,600	290	0.1
Provident Financial	74,200	962	0.4	William Hill	24,842	532	0.2
Rathbone Brothers	31,380	403	0.2		371,265	1,169	0.5
Tullett Prebon	119,900	326	0.1	<b>Industrials – 13.5% (12.3%)</b>			
<b>Life insurance – 3.7%</b>				<b>Aerospace &amp; defence – 2.9%</b>			
Legal & General Group	1,244,813	1,601	0.7	BAE Systems	650,215	2,025	0.9
Old Mutual	1,053,711	1,684	0.7	Cobham	437,730	1,017	0.4
Prudential	435,113	3,368	1.4	Meggitt	289,969	1,133	0.5
Resolution	250,672	526	0.2	QinetiQ Group	546,036	924	0.4
Standard Life	628,501	1,528	0.7	Rolls Royce Group	163,850	1,420	0.6
<b>Nonlife insurance – 1.8%</b>				Senior			
Admiral Group	35,678	394	0.2		184,224	357	0.1
Amlin	132,800	503	0.2	<b>Construction &amp; materials – 0.8%</b>			
Beazley Group	297,841	471	0.2	Balfour Beatty	272,400	801	0.3
Catlin Group	121,000	525	0.2	Galliford Try	97,533	593	0.3
Hiscox	119,930	533	0.2	Kier Group	30,329	386	0.2
Jardine Lloyd Thompson	60,032	443	0.2	<b>Electronics &amp; electrical equipment – 1.1%</b>			
Lancashire	118,701	942	0.4	Dialight	32,304	330	0.1
RSA Insurance Group	433,000	482	0.2	Halma	117,986	470	0.2
<b>Real estate – 1.6%</b>				Invensys			
Big Yellow Group	78,000	245	0.1	Morgan Crucible	184,404	446	0.2
Capital & Counties Properties	228,126	479	0.2	Oxford Instruments	136,600	343	0.1
Derwent London	19,371	380	0.2	Renishaw	23,400	293	0.1
Grainger	260,539	235	0.1	Spenshaw	24,949	377	0.2
Great Portland Estates	99,539	430	0.2	Spectris	22,100	347	0.2
Hammerson	254,216	1,182	0.5	<b>General industrials – 1.7%</b>			
Savills	184,745	667	0.3	Cookson Group	50,792	282	0.1
Unite Group	41,685	88	-	Rexam	256,591	1,125	0.5
<b>Consumer services – 14.3% (13.0%)</b>				RPC Group			
<b>Food &amp; drug retailers – 1.7%</b>				Smith (DS)			
Booker Group	516,705	475	0.2	Smiths Group	297,904	451	0.2
Morrison (Wm.) Supermarkets	298,163	823	0.3		114,451	1,238	0.6
Sainsbury (J)	221,500	708	0.3	<b>Industrial engineering – 1.5%</b>			
Tesco	628,500	1,996	0.9	Bodycote	170,089	558	0.2
<b>General retailers – 2.9%</b>				Fenner			
Debenhams	961,682	891	0.4	IMI	170,721	601	0.3
Dignity	42,289	363	0.2	Melrose	112,933	932	0.4
Dunelm Group	49,200	276	0.1	Rotork	313,038	692	0.3
Inchcape	258,856	976	0.4	Spirax Sarco Engineering	22,348	493	0.2
Kingfisher	279,748	748	0.3		17,192	339	0.1
Marks & Spencer	205,552	694	0.3	<b>Industrial transportation – 0.2%</b>			
Next	43,423	1,409	0.6	BBA Aviation	210,765	390	0.2
Sports Direct International	116,582	334	0.1	<b>Support services – 5.3%</b>			
Ted Baker	18,790	169	0.1	Ashtead Group	174,851	448	0.2
WH Smith	151,770	844	0.4	Atkins (WS)	110,692	819	0.4
<b>Media – 4.6%</b>				Babcock International Group			
Aegis Group	202,500	479	0.2	Berendsen	65,400	564	0.3
British Sky Broadcasting Group	129,000	924	0.4	Bunzl	168,490	858	0.4
Daily Mail & General Trust 'A'	159,704	729	0.3	De La Rue	53,715	603	0.3
EuroMoney Institutional Investor	35,466	256	0.1	Diploma	37,583	384	0.2
Informa	125,681	466	0.2	Electrocomponents	59,050	242	0.1
ITE Group	117,728	223	0.1	Experian	254,457	552	0.2
ITV	1,297,943	984	0.4	Filltrona	102,144	981	0.4
Moneysupermarket.Com Group	288,448	410	0.2	Howden Joinery Group	82,728	385	0.2
Pearson	81,026	967	0.4	Interserve	689,736	945	0.4
Perform Group	72,417	268	0.1	Intertek Group	125,000	402	0.2
Reed Elsevier	274,754	1,486	0.7	John Menzies	24,288	674	0.3
Rightmove Group	28,546	438	0.2	Mitie Group	83,092	523	0.2
UBM	153,401	1,002	0.4	Paypoint	134,562	368	0.2
WPP	249,192	2,047	0.9	Premier Farnell	44,789	317	0.1
				Regus	161,256	286	0.1
				Rentokil Initial	320,689	296	0.1
				RPS Group	461,000	331	0.1
				SIG	135,786	325	0.1
				Travis Perkins	263,519	251	0.1
				Wolseley	101,563	1,025	0.4
					32,945	768	0.3

# Portfolio statement – continued

As at 31 July 2012

Investment	Holding	Market value £'000	Total net assets %
<b>Consumer goods – 11.8% (11.2%)</b>			
<b>Automobiles &amp; parts – 0.5%</b>			
GKN	536,822	1,140	0.5
<b>Beverages – 2.3%</b>			
Diageo	185,200	3,200	1.4
SABMiller	75,959	2,093	0.9
<b>Food producers – 2.1%</b>			
Associated British Foods	56,594	710	0.3
Cranswick	77,836	663	0.3
Dairy Crest Group	112,000	377	0.2
Devro	122,686	364	0.2
Tate & Lyle	79,015	518	0.2
Unilever	95,403	2,181	0.9
<b>Household goods – 2.9%</b>			
Barratt Development	674,762	904	0.4
Bellway	111,669	911	0.4
Berkeley Group	35,389	487	0.2
Bovis Homes Group	169,271	762	0.3
Persimmon	159,102	980	0.4
Reckitt Benckiser Group	53,025	1,865	0.8
Taylor Wimpey	2,036,371	909	0.4
<b>Personal goods – 0.3%</b>			
Burberry Group	51,000	657	0.3
<b>Tobacco – 3.7%</b>			
British American Tobacco	138,261	4,727	2.0
Imperial Tobacco Group	163,994	4,059	1.7
<b>Oil &amp; gas – 11.4% (17.3%)</b>			
<b>Oil &amp; gas producers – 10.4%</b>			
Afren	300,113	378	0.1
BP	1,344,000	5,713	2.4
Enquest	324,502	366	0.1
Ophir Energy	160,400	945	0.4
Premier Oil	108,000	421	0.2
Royal Dutch Shell 'B'	696,889	15,809	6.8
Tullow Oil	82,882	1,086	0.4
<b>Oil equipment, services &amp; distribution – 1.0%</b>			
AMEC	47,572	532	0.2
Kentz	150,035	574	0.3
Petrofac	38,302	573	0.3
Wood Group (John)	69,296	540	0.2
<b>Telecommunications – 6.5% (4.7%)</b>			
<b>Fixed line communications – 1.7%</b>			
BT Group	1,366,221	2,982	1.3
KCOM Group	894,639	694	0.3
Telecom Plus	34,756	278	0.1
<b>Mobile telecommunications – 4.8%</b>			
Talk Talk Telecom	506,894	885	0.4
Vodafone Group	5,623,411	10,344	4.4
<b>Health care – 6.3% (8.2%)</b>			
<b>Health care equipment &amp; services – 0.3%</b>			
Smith & Nephew	100,709	664	0.3
<b>Pharmaceuticals &amp; biotechnology – 6.0%</b>			
AstraZeneca	99,066	2,967	1.3
BTG	109,703	413	0.2
Genus	30,310	382	0.1
GlaxoSmithKline	709,328	10,356	4.4
<b>Basic materials – 5.0% (6.1%)</b>			
<b>Chemicals – 1.0%</b>			
AZ Electronic Materials	108,879	307	0.1
Croda International	25,535	603	0.3
Elementis	190,024	391	0.2
Johnson Matthey	25,180	546	0.2
Victrex	24,032	304	0.1
Yule Catto & Co	176,000	249	0.1
<b>Forestry &amp; paper – 0.3%</b>			
Mondi	127,632	698	0.3
<b>Industrials metals &amp; mining – 0.1%</b>			
Evrz	131,598	317	0.1
<b>Mining – 3.6%</b>			
Anglo American	101,791	1,951	0.8
BHP Billiton	161,922	3,051	1.3
Kazakhmys	50,050	358	0.2
Rio Tinto	97,500	2,906	1.3

Investment	Holding	Market value £'000	Total net assets %
<b>Utilities – 3.3% (3.9%)</b>			
<b>Electricity – 0.7%</b>			
Drax Group	92,557	436	0.2
SSE	89,451	1,176	0.5
<b>Gas, water &amp; multiutilities – 2.6%</b>			
Centrica	464,659	1,497	0.7
National Grid	518,331	3,444	1.5
Severn Trent	29,776	515	0.2
United Utilities Group	82,075	564	0.2
<b>Equity investment instruments – 3.1% (2.9%)</b>			
JPM UK Smaller Companies 'I' (Accumulation)^	1,679,883	7,177	3.1
<b>Technology – 2.2% (2.4%)</b>			
<b>Software &amp; computer services – 1.6%</b>			
Anite	220,124	282	0.1
AVEVA Group	17,558	313	0.1
Computacenter	103,440	367	0.2
Logica	389,594	408	0.2
Micro Focus International	179,640	970	0.4
Sage Group	194,968	564	0.2
SDL	53,459	366	0.2
Teledy Group	54,094	464	0.2
<b>Technology hardware &amp; equipment – 0.6%</b>			
CSR	109,000	342	0.1
Laird Group	373,255	805	0.4
Spirent Communications	200,857	331	0.1
<b>Futures – 0.1% (0.0%)</b>			
FTSE 100 Index Futures Sep 2012	150	156	0.1
<b>Liquidity funds – 4.1% (1.8%)</b>			
JPM Sterling Liquidity 'X' (Income)^\$	9,495,339	9,495	4.1
<b>Investment assets</b>		<b>231,663</b>	<b>99.3</b>
<b>Net other assets</b>		<b>1,586</b>	<b>0.7</b>
<b>Net assets</b>		<b>233,249</b>	<b>100.0</b>

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

The comparative percentage figures in brackets are at 31 January 2012.

^ Deemed to be investment in related parties of the ACI

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

## Portfolio movements

For the six months ending 31 July 2012

	£'000		£'000
<b>Total of all purchases for the period</b>	<b>86,713</b>	<b>Total of all sales for the period</b>	<b>93,898</b>
<b>Major purchases</b>	<b>Cost</b>	<b>Major sales</b>	<b>Proceeds</b>
JPM Sterling Liquidity 'X' (Income)^	16,613	JPM Sterling Liquidity 'X' (Income)^	11,330
HSBC	4,547	BP	5,648
Vodafone Group	3,908	Royal Dutch Shell 'B'	3,920
Anglo American	2,768	BG Group	3,216
Standard Chartered	2,385	Standard Chartered	3,001
Barclays	2,124	AstraZeneca	2,550
Reckitt Benckiser Group	1,859	Land Securities	1,537
RSA Insurance Group	1,032	G4S	1,225
WPP	967	Smith (DS)	1,113
Cobham	964	Kingfisher	987
BAE Systems	935	Shire	972
CRH	911	St James's Place	960
Lloyds Banking Group	867	Aviva	939
Old Mutual	781	International Power	921
Premier Oil	778	Cable & Wireless Communications	858
Balfour Beatty	778	Morrison (Wm.) Supermarkets	851
Mondi	769	Aggreko	821
ICAP	765	CRH	797
Invensys	754	ARM Holdings	787
Kazakhmys	732	GKN	772

^ Deemed to be investment in related parties of the ACD

# Financial statements

## Statement of total return

(Unaudited)

For the six months ending 31 July

	2012	2011
	£'000	£'000
Income		
Net capital gains/(losses)	4,691	(1,184)
Revenue	4,967	4,500
Expenses	(1,958)	(1,959)
Net revenue before taxation	3,009	2,541
Taxation	-	(18)
Net revenue after taxation	3,009	2,523
<b>Total return before distributions</b>	<b>7,700</b>	<b>1,339</b>
Finance costs: Distributions	(54)	(60)
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>7,646</b>	<b>1,279</b>

## Balance sheet

(Unaudited)

As at

	31 July 2012	31 January 2012
	£'000	£'000
<b>ASSETS</b>		
Investment assets	231,663	234,636
Debtors	1,549	610
Cash and bank balances	694	804
<b>Total other assets</b>	<b>2,243</b>	<b>1,414</b>
<b>Total assets</b>	<b>233,906</b>	<b>236,050</b>
<b>LIABILITIES</b>		
Creditors	(657)	(602)
Distribution payable on income shares	-	(7)
<b>Total liabilities</b>	<b>(657)</b>	<b>(609)</b>
<b>Net assets attributable to shareholders</b>	<b>233,249</b>	<b>235,441</b>

## Statement of change in net assets attributable to shareholders

(Unaudited)

For the six months ending 31 July

	2012	2011
	£'000	£'000
<b>Opening net assets attributable to shareholders</b>	<b>235,441</b>	<b>269,054</b>
Amounts receivable on issue of shares	2,931	2,758
Amounts payable on cancellation of shares	(12,756)	(15,238)
	(9,825)	(12,480)
Change in net assets attributable to shareholders from investment activities (see above)	7,646	1,279
Stamp duty reserve tax	(13)	(16)
<b>Closing net assets attributable to shareholders</b>	<b>233,249</b>	<b>257,837</b>

As the comparatives in the above table are for the previous interim period, the net assets at the end of that period will not agree to the net assets at the start of the current period.

# JPM UK Focus Fund

## Investment objective and policy

To provide long-term capital growth by investing in a portfolio primarily of UK securities.

UK securities are securities issued by companies that are incorporated under the laws of, and have their registered office in, the UK, or that derive the predominant part of their economic activity from the UK, even if listed elsewhere. Smaller companies may be held on an ancillary basis.

This Equity based Fund invests in those stocks which the Investment Adviser believes will outperform with little regard for their Benchmark weighting.

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

## Risk profile

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

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

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

The single market in which the Fund primarily invests, in this case the UK, may be subject to particular political and economic risks and, as a result, the Fund may be more volatile than more broadly diversified funds.

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

## Fund review

Eurozone debt concerns and weak UK and global economic data contributed to a volatile review period, but UK equities delivered a small positive return.

The Fund, which invests in a focused portfolio of stocks with attractive intrinsic value, backed with quality and supported by a catalyst, underperformed its benchmark in the review period. Positive contributors to relative returns included an underweight position in the other basic industry sector, stock selection and an underweight in banks, and stock selection and an overweight in construction. Stock selection and an underweight in consumer non durables detracted, as did stock selection and an overweight in oil.

At the stock level, the Fund benefited most in relative terms from an overweight position in loan provider International Personal Finance, which issued a positive full-year outlook with its first-half results and announced a GBP 25m share buyback. An overweight position in Howden Joinery Group was also positive after the builders' merchant reported strong like-for-like sales growth for the first half of the year. Stock-level detractors from relative returns included an overweight position in oil services provider Lamprell, which fell after issuing a profit warning for 2012 on delayed equipment deliveries. An overweight position in Premier Foods was also detrimental as the food producer suffered on concerns over weak UK consumer demand despite resilient first-quarter earnings. However, the Fund was boosted by its overweight position in Playtech, the online gaming software developer, which is delivering strong earnings growth, helped by robust performance in its joint venture with William Hill.

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).

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

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## Fund outlook

Growth concerns and worries over eurozone debt may contribute to continued volatility, but valuations and dividends remain attractive.

## 12 month performance to 31 July

	2012	2011	2010	2009	2008
<b>JPM UK Focus A-Class Acc</b>	<b>-5.4%</b>	<b>16.0%</b>	<b>18.3%</b>	<b>-11.5%</b>	<b>-19.0%</b>
<b>JPM UK Focus C-Class Acc</b>	<b>-4.6%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Benchmark Index	0.4%	14.9%	19.4%	-10.5%	-13.3%

## Six month performance to 31 July 2012

<b>JPM UK Focus A-Class Acc</b>	<b>0.0%</b>
Benchmark Index	1.9%

## Fund statistics

Risk and Reward Profile	<b>6</b>
Fund size	<b>£48.8m</b>
Benchmark Index	<b>FTSE All-Share Index (Net)</b>
Fund charges	
A-Class	<b>Initial 4.25%, Annual 1.50%</b>
C-Class	<b>Initial Nil, Annual 0.75%</b>

## Top ten holdings (excluding Liquidity funds) %

Royal Dutch Shell	8.8
BP	4.9
GlaxoSmithKline	4.8
Vodafone Group	3.7
Rio Tinto	3.2
BG Group	3.2
British American Tobacco	3.1
HSBC	2.8
Imperial Tobacco Group	2.7
Shire	2.4

## Sector breakdown

	%
Oil & gas	21.0
Consumer services	14.7
Financials	12.9
Industrials	11.9
Health care	9.8
Consumer goods	9.4
Basic materials	9.1
Telecommunications	5.5
Technology	2.1
Equity investment instruments	1.4
Utilities	1.1
Liquidity funds	0.6
Futures	0.0
Net other assets	0.5

## Highest/lowest share price and distribution record

Calendar year	Highest share price	Lowest share price	Distribution per share (net)
<b>A-Class Accumulation Shares</b>			
2007	59.82p	51.42p	0.66p
2008	54.36p	30.34p	1.06p
2009	49.36p	29.99p	1.04p
2010	56.04p	44.06p	0.70p
2011	58.23p	45.14p	0.59p
2012 <sup>A</sup>	57.61p	49.30p	0.95p
<b>A-Class Income Shares</b>			
2007	58.44p	49.31p	0.00p
2008	52.14p	28.63p	0.69p
2009	45.33p	27.99p	0.97p
2010	50.74p	40.30p	0.63p
2011	52.66p	40.43p	0.54p
2012 <sup>A</sup>	51.32p	43.91p	0.84p
<b>C-Class Accumulation Shares<sup>B</sup></b>			
2010	104.2p	96.19p	-
2011	108.6p	84.50p	1.44p
2012 <sup>A</sup>	108.2p	92.77p	2.57p

<sup>A</sup> To 31 July 2012.

<sup>B</sup> C-Class Accumulation Shares were launched on 15 November 2010.

## Portfolio turnover rate

31.01.12	12.0%
31.07.12	(1.0)%

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

## Net asset values and Ongoing charges

Date	Net asset value per share class £'000	Number of shares	Net asset value per share	Ongoing charges
<b>A-Class Accumulation Shares</b>				
31.01.10	39,887	84,008,210	47.48p	1.67%
31.01.11	52,837	95,328,107	55.43p	1.67%
31.01.12	49,723	94,362,224	52.69p	1.68%
31.07.12	45,861	86,977,292	52.73p	1.68%
<b>A-Class Income Shares</b>				
31.01.10 <sup>c</sup>	47	107,788	43.42p	1.68%
31.01.11 <sup>c</sup>	54	107,667	50.12p	1.68%
31.01.12 <sup>c</sup>	57	120,998	46.94p	1.68%
31.07.12	39	83,574	46.39p	1.68%
<b>C-Class Accumulation Shares</b>				
31.01.11	3,003	2,910,000	103.2p	0.87%
31.01.12	3,638	3,678,796	98.89p	0.87%
31.07.12	2,906	2,924,745	99.36p	0.87%

<sup>c</sup> The net asset value and the net asset value per income share are shown ex-dividend at the financial year end.

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 and any fixed 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 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 31 July 2012

Investment	Holding	Market value £'000	Total net assets %
<b>Oil &amp; gas - 21.0% (21.7%)</b>			
<b>Oil &amp; gas producers - 19.7%</b>			
Afren	489,434	617	1.3
BG Group	120,839	1,551	3.2
BP	564,930	2,401	4.9
Enquest	28,984	33	0.1
Royal Dutch Shell 'A'	110,390	2,415	4.9
Royal Dutch Shell 'B'	83,700	1,899	3.9
Salamander Energy	282,219	533	1.1
Valiant Petroleum*	36,213	154	0.3
<b>Oil equipment, services &amp; distribution - 1.3%</b>			
Lamprell	210,281	168	0.3
Petrofac	32,645	489	1.0
<b>Consumer services - 14.7% (12.6%)</b>			
<b>Food &amp; drug retails - 1.0%</b>			
Tesco	160,304	509	1.0
<b>General retailers - 2.2%</b>			
Bygghmax	47,679	147	0.3
D'leteren	6,400	172	0.3
Inchcape	88,127	332	0.7
Kingfisher	159,296	426	0.9
<b>Media - 4.8%</b>			
Informa	192,228	713	1.5
ITV	863,253	655	1.3
Pearson	20,463	244	0.5
UBM	111,439	728	1.5
<b>Travel &amp; leisure - 6.7%</b>			
Betfair Group	41,294	318	0.7
Compass Group	58,244	406	0.8
Dominos Pizza	129,240	666	1.4
Go-Ahead Group	13,546	176	0.4
Intercontinental Hotels Group	54,065	853	1.7
Playtech	233,374	810	1.7
<b>Financials - 12.9% (14.2%)</b>			
<b>Banks - 5.3%</b>			
Barclays	405,279	679	1.4
HSBC	256,766	1,372	2.8
Lloyds Banking Group	1,691,887	520	1.1
<b>General financial - 3.1%</b>			
International Personal Finance	212,854	619	1.3
Intrum Justitia	29,065	261	0.5
Provident Financial	48,158	625	1.3
<b>Life insurance - 2.6%</b>			
Prudential	115,494	894	1.8
Resolution	182,788	384	0.8
<b>Nonlife insurance - 0.7%</b>			
Admiral Group	9,887	109	0.2
Beazley Group	169,542	268	0.5
<b>Real estate - 1.2%</b>			
LSL Property Services	264,415	568	1.2
<b>Industrials - 11.9% (10.6%)</b>			
<b>General industrials - 0.7%</b>			
Cookson Group	58,956	327	0.7
<b>Industrial engineering - 1.2%</b>			
Bodycote	91,968	302	0.6
IMI	31,876	263	0.6
<b>Support services - 10.0%</b>			
Brammer	427,515	942	1.9
Electrocomponents	138,221	300	0.6
Filtrona	192,152	894	1.8
Howden Joinery Group	437,004	599	1.2
Premier Farnell	112,359	199	0.4
Rentokil Initial	354,317	255	0.5
Robert Walters	224,817	400	0.8
SIG	543,466	518	1.1
Travis Perkins	81,264	820	1.7
<b>Health care - 9.8% (9.2%)</b>			
<b>Pharmaceuticals &amp; biotechnology - 9.8%</b>			
AstraZeneca	32,346	969	2.0
GlaxoSmithKline	160,633	2,345	4.8
Shire	61,364	1,155	2.4
Thrombogenics	15,243	309	0.6

Investment	Holding	Market value £'000	Total net assets %
<b>Consumer goods - 9.4% (9.6%)</b>			
<b>Automobiles &amp; parts - 0.7%</b>			
Nokian Renkaa	12,519	321	0.7
<b>Food producers - 0.2%</b>			
Premier Foods	117,351	82	0.2
<b>Household goods - 2.3%</b>			
Persimmon	111,716	688	1.4
Redrow	145,324	184	0.4
Taylor Wimpey	570,131	255	0.5
<b>Leisure goods - 0.4%</b>			
Philips Electronics	14,805	208	0.4
<b>Personal goods - 0.0%</b>			
Pandora	3,820	24	-
<b>Tobacco - 5.8%</b>			
British American Tobacco	44,245	1,513	3.1
Imperial Tobacco Group	52,548	1,301	2.7
<b>Basic materials - 9.1% (11.2%)</b>			
<b>Chemicals - 2.4%</b>			
Arkema	13,402	631	1.3
Bayer	10,921	536	1.1
<b>Mining - 6.7%</b>			
Highland Gold Mining*	322,451	368	0.7
International Ferro Metals	704,762	92	0.2
Petropavlovsk	80,929	350	0.7
Rio Tinto	52,753	1,573	3.2
Xstrata	105,590	903	1.9
<b>Telecommunications - 5.5% (6.0%)</b>			
<b>Fixed line telecommunications - 1.8%</b>			
BT Group	374,058	817	1.7
Cable & Wireless Communications	145,117	46	0.1
<b>Mobile telecommunications - 3.7%</b>			
Vodafone Group	982,584	1,807	3.7
<b>Technology - 2.1% (2.0%)</b>			
<b>Software &amp; computer services - 2.1%</b>			
Atos	12,761	457	0.9
Computacenter	167,856	596	1.2
<b>Equity investment instruments - 1.4% (1.5%)</b>			
Burford Capital*	644,275	676	1.4
<b>Utilities - 1.1% (0.9%)</b>			
<b>Gas, water &amp; multiutilities - 1.1%</b>			
Centrica	160,425	517	1.1
<b>Futures - 0.0% (0.0%)</b>			
FTSE 100 Index Futures Sep 2012	8	19	-
<b>Liquidity funds - 0.6% (0.0%)</b>			
JPM Sterling Liquidity 'X' (Income)^\$	282,227	282	0.6
<b>Investment assets</b>		<b>48,557</b>	<b>99.5</b>
<b>Net other assets</b>		<b>249</b>	<b>0.5</b>
<b>Net assets</b>		<b>48,806</b>	<b>100.0</b>

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

The comparative percentage figures in brackets are at 31 January 2012.

\* Listed on Alternative Investment Market (AIM)

^ Deemed to be investment in related parties of the ACD

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

## Portfolio movements

For the six months ending 31 July 2012

	£'000		£'000
<b>Total of all purchases for the period</b>	<b>2,412</b>	<b>Total of all sales for the period</b>	<b>6,408</b>
<b>Purchases</b>	<b>Cost</b>	<b>Major Sales</b>	<b>Proceeds</b>
JPM Sterling Liquidity 'X' (Income)^	1,652	JPM Sterling Liquidity 'X' (Income)^	1,370
Highland Gold Mining	392	Unilever	900
Thrombogenics	172	Glencore International	853
Salamander Energy	144	Standard Chartered	680
Royal Dutch Shell 'A'	55	Vodafone Group	626
Atos	5	HSBC	626
GlaxoSmithKline	(8)	BP	182
		GlaxoSmithKline	152
		Royal Dutch Shell 'A'	126
		Royal Dutch Shell 'B'	111
		Rio Tinto	107
		BG Group	105
		Cable & Wireless Worldwide	55
		Brammer	45
		British American Tobacco	44
		Imperial Tobacco Group	42
		Shire	40
		Xstrata	36
		Playtech	28
		Filtrona	28

^ Deemed to be investment in related parties of the ACD

# Financial statements

## Statement of total return

(Unaudited)

For the six months ending 31 July

	£'000	2012 £'000	£'000	2011 £'000
Income				
Net capital losses		(619)		(284)
Revenue	1,122		1,047	
Expenses	(432)		(465)	
Net revenue before taxation	690		582	
Taxation	(15)		(20)	
Net revenue after taxation		675		562
<b>Total return before distributions</b>		<b>56</b>		<b>278</b>
Finance costs: Distributions		(678)		(564)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(622)</b>		<b>(286)</b>

## Balance sheet

(Unaudited)

As at

	31 July 2012		31 January 2012	
	£'000	£'000	£'000	£'000
<b>ASSETS</b>				
Investment assets		48,557		53,177
Debtors	179		164	
Cash and bank balances	139		150	
<b>Total other assets</b>		<b>318</b>		<b>314</b>
<b>Total assets</b>		<b>48,875</b>		<b>53,491</b>
<b>LIABILITIES</b>				
Creditors	(69)		(73)	
<b>Total liabilities</b>		<b>(69)</b>		<b>(73)</b>
<b>Net assets attributable to shareholders</b>		<b>48,806</b>		<b>53,418</b>

## Statement of change in net assets attributable to shareholders

(Unaudited)

For the six months ending 31 July

	£'000	2012 £'000	£'000	2011 £'000
<b>Opening net assets attributable to shareholders</b>		<b>53,418</b>		<b>55,894</b>
Amounts receivable on issue of shares	851		2,047	
Amounts payable on cancellation of shares	(5,460)		(780)	
		(4,609)		1,267
<b>Change in net assets attributable to shareholders from investment activities (see above)</b>		<b>(622)</b>		<b>(286)</b>
Retained distributions on accumulation shares		622		562
Stamp duty reserve tax		(3)		-
<b>Closing net assets attributable to shareholders</b>		<b>48,806</b>		<b>57,437</b>

As the comparatives in the above table are for the previous interim period, the net assets at the end of that period will not agree to the net assets at the start of the current period.

# JPM UK Higher Income Fund

## Investment objective and policy<sup>A</sup>

To provide income and prospects of capital growth by investing primarily in Equity and Equity-Linked Securities of UK companies. The Fund aims to provide a higher income yield than the yield on the FTSE™ All-Share Index.

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

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

## Risk profile

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

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

The single market in which the Fund primarily invests, in this case the UK, may be subject to particular political and economic risks and, as a result, the Fund may be more volatile than more broadly diversified funds.

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

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

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

## Fund review

Eurozone debt concerns and weak UK and global economic data contributed to a volatile review period, but UK equities delivered a small positive return.

The Fund, which focuses on high dividend-yielding stocks that are fundamentally sound, outperformed its benchmark. Positive contributors to relative returns included stock selection and underweight positions in the mining and oil & gas producers sectors and stock selection in technology hardware. An underweight in beverages detracted, as did stock selection in oil equipment, services and distribution.

At the stock level, the Fund benefited from an overweight position in oil producer Cove Energy, which received takeover bids from Royal Dutch Shell and Thai state-owned oil company PTTEP. Not holding Anglo American was also positive as the mining company suffered on commodity price weakness and fell after the UK Competition Commission said it would have to sell assets to gain approval for its proposed joint venture with Lafarge. Stock-level detractors from relative returns included an overweight position in oil services provider Cape, which cut its full-year profit guidance as a result of losses on a liquefied natural gas contract in Algeria. Not holding SABMiller was also detrimental after the brewer reported stronger-than-expected second-quarter revenue, driven by price increases and volume growth in

emerging markets. However, the Fund was boosted by an overweight position in fixed line telecoms company TalkTalk, which reported strong full-year results, raised its medium-term guidance and said it would grow its dividend by at least 15% annually over the next two years.

## Fund outlook

Growth concerns and worries over eurozone debt may contribute to continued volatility, but valuations and dividends remain attractive.

## 12 month performance to 31 July

	2012	2011	2010	2009	2008
<b>JPM UK Higher Income A-Class Acc</b>	<b>1.6%</b>	<b>14.5%</b>	<b>17.4%</b>	<b>-13.4%</b>	<b>-17.3%</b>
Benchmark Index	0.4%	14.9%	19.4%	-10.5%	-13.3%

## Six month performance to 31 July 2012

<b>JPM UK Higher Income A-Class Acc</b>	<b>3.7%</b>
Benchmark Index	1.9%

## Fund statistics

Risk and Reward Profile	<b>6</b>
Fund size	<b>£268.4m</b>
Benchmark Index	<b>FTSE All-Share Index (Net)</b>
Fund charges	<b>Initial 4.25%, Annual 1.50%</b>

## Top ten holdings (excluding Liquidity funds) %

Royal Dutch Shell 'B'	8.4
HSBC	5.8
Vodafone Group	5.5
BP	4.9
GlaxoSmithKline	4.5
British American Tobacco	4.2
BHP Billiton	2.5
Rio Tinto	2.4
Standard Chartered	1.9
Unilever	1.8

You should remember that past performance is not a guide to the future. The price of investments and the income from them may fall as well as rise and investors may not get back the full amount invested. For specific risks, including the risk and reward profile, please refer to the Key Investor Information Document (KIID).

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

Source: J.P. Morgan.

Formerly JPM Premier Equity Income Fund, the Fund name was changed on 01/08/11.

<sup>A</sup> On 01/08/11 the investment objective and policy of the Fund was changed.

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## Sector breakdown

	%
Financials	21.0
Oil & gas	14.2
Consumer services	13.9
Industrials	13.2
Consumer goods	11.2
Telecommunications	7.9
Basic materials	6.4
Health care	4.6
Utilities	4.5
Technology	2.2
Liquidity funds	1.6
Net other liabilities	(0.7)

## Highest/lowest share price and distribution record

Calendar year	Highest share price	Lowest share price	Distribution per share (net)
<b>A-Class Accumulation Shares</b>			
2007	717.1p	613.6p	22.05p
2008	647.9p	377.8p	24.58p
2009	559.2p	356.7p	23.45p
2010	644.9p	512.9p	18.88p
2011	674.3p	552.4p	21.88p
2012 <sup>a</sup>	673.7p	609.4p	26.41p
<b>A-Class Income Shares</b>			
2007	598.8p	494.7p	18.19p
2008	522.3p	291.4p	19.64p
2009	409.1p	268.1p	17.91p
2010	456.0p	369.9p	13.64p
2011	470.7p	377.4p	15.35p
2012 <sup>a</sup>	452.0p	408.8p	17.85p

<sup>a</sup> To 31 July 2012.

## Portfolio turnover rate

31.01.12	69.0%
31.07.12	31.2%

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

## Net asset values and Ongoing charges

Date	Net asset value per share class £'000	Number of shares	Net asset value per share	Ongoing charges
<b>A-Class Accumulation Shares</b>				
31.01.10	158,205	29,514,376	536.0p	1.67%
31.01.11	170,898	26,954,941	634.0p	1.67%
31.01.12	155,271	24,521,746	633.2p	1.68%
31.07.12	154,177	23,486,922	656.4p	1.68%
<b>A-Class Income Shares</b>				
31.01.10	125,124	32,370,904	386.5p	1.67%
31.01.11	131,420	29,695,547	442.6p	1.67%
31.01.12	116,876	27,512,678	424.8p	1.68%
31.07.12	114,189	26,535,883	430.3p	1.68%

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 and any fixed 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 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 31 July 2012

Investment	Holding	Market value £'000	Total net assets %	Investment	Holding	Market value £'000	Total net assets %
<b>Financials – 21.0% (20.8%)</b>				<b>Consumer services – 13.9% (12.6%)</b>			
<b>Banks – 9.0%</b>				<b>Food &amp; drug retails – 3.0%</b>			
Barclays	2,151,599	3,607	1.3	Greggs	138,510	711	0.3
HSBC	2,928,507	15,644	5.8	Morrison (Wm.) Supermarkets	560,811	1,548	0.6
Standard Chartered	343,288	5,081	1.9	Sainsbury (J)	421,281	1,347	0.5
<b>Financial services – 0.7%</b>				Tesco	1,413,943	4,490	1.6
Jupiter Fund Management	329,725	716	0.3	<b>General retailers – 2.6%</b>			
Provident Financial	71,402	926	0.4	Debenhams	921,207	853	0.3
<b>General financial – 2.9%</b>				Inchcape	255,788	965	0.4
Aberdeen Asset Management	378,478	985	0.4	Kingfisher	563,114	1,506	0.6
Brewin Dolphin	464,927	690	0.2	Marks & Spencer	435,437	1,470	0.5
Brookwell Preference 'D'	10,178	4	-	Mulberry Group	2,758	39	-
Close Brothers Group	103,818	776	0.3	Next	42,081	1,366	0.5
F&C Asset Management	787,266	692	0.3	WH Smith	132,369	736	0.3
Hargreaves Lansdown	151,664	868	0.3	<b>Media – 4.0%</b>			
Intermediary Capital Group	287,693	748	0.3	British Sky Broadcasting Group	246,192	1,764	0.7
International Personal Finance	347,018	1,009	0.4	Chime Communications	82,803	150	0.1
London Stock Exchange Group	83,201	817	0.3	Daily Mail & General Trust 'A'	146,687	670	0.2
Rathbone Brothers	51,821	665	0.2	Entertainment One	103,958	163	0.1
Tullett Prebon	240,082	653	0.2	Informa	256,708	952	0.4
<b>Life insurance – 3.5%</b>				ITE Group	412,025	780	0.3
Legal & General Group	1,389,361	1,787	0.7	Moneysupermarket.Com Group	510,905	727	0.3
Old Mutual	1,145,689	1,831	0.7	Mood Media	76,200	133	-
Phoenix Group	105,416	521	0.2	Pearson	173,682	2,072	0.7
Prudential	475,303	3,679	1.3	Tarsus Group	86,491	144	0.1
Standard Life	628,793	1,529	0.6	UBM	144,723	945	0.3
<b>Nonlife insurance – 2.2%</b>				WPP	273,165	2,244	0.8
Admiral Group	81,653	901	0.3	<b>Travel &amp; leisure – 4.3%</b>			
Amlin	232,832	883	0.3	888	72,664	58	-
Beazley Group	517,663	818	0.3	Compass Group	389,211	2,713	1.0
Catlin Group	194,316	843	0.3	Cupid	27,890	55	-
Hiscox	201,885	898	0.3	Fuller Smith & Turner 'A'	30,238	212	0.1
Jardine Lloyd Thompson	107,967	797	0.3	Go-Ahead Group	54,535	707	0.3
Lancashire	101,484	806	0.3	Greene King	146,733	886	0.3
Novae Group	71,022	255	0.1	Ladbrokes	557,524	868	0.3
<b>Real estate – 2.7%</b>				Marston's	667,301	745	0.3
British Land	254,372	1,361	0.5	National Express Group	358,452	761	0.3
Capital & Regional	235,381	54	-	Restaurant Group	234,120	768	0.3
CLS	31,872	207	0.1	Snoozebox	146,272	75	-
Development Securities	121,700	166	0.1	Spirit Pub	131,409	67	-
Great Portland Estates	204,200	882	0.3	Sportingbet	598,498	199	0.1
Hammerson	248,290	1,154	0.4	Stagecoach Group	295,725	840	0.3
Land Securities	193,911	1,537	0.6	Thomas Cook Group	275,257	44	-
LSL Property Services	80,228	172	0.1	TUI Travel	431,603	786	0.3
Quintain Estates & Development	498,558	246	0.1	Wetherspoon (J.D.)	163,230	756	0.3
Savills	193,381	698	0.3	William Hill	317,270	999	0.4
St Modwen Properties	139,083	246	0.1	<b>Industrials – 13.2% (11.5%)</b>			
Unite Group	130,692	275	0.1	<b>Aerospace &amp; defence – 2.5%</b>			
<b>Oil &amp; gas – 14.2% (14.5%)</b>				Avon Rubber	56,484	171	0.1
<b>Oil &amp; gas producers – 13.4%</b>				BAE Systems	714,257	2,224	0.8
Amerisur Resources	128,000	48	-	Cobham	432,567	1,005	0.4
Bowleven*	64,600	40	-	Rolls Royce Group	361,478	3,132	1.1
BP	3,060,010	13,007	4.9	Senior	152,191	295	0.1
Exillon Energy	125,512	120	-	<b>Construction &amp; materials – 1.7%</b>			
Faroe Petroleum	42,300	63	-	Balfour Beatty	297,000	873	0.3
Nautical Petroleum	63,063	284	0.1	Costain	56,444	117	-
Oilex	164,238	9	-	CRH	163,665	1,954	0.7
Providence Resources	10,100	65	-	Galliford Try	130,759	795	0.3
Royal Dutch Shell 'B'	993,671	22,541	8.4	Kier Group	54,214	690	0.3
Trap Oil Group	163,000	29	-	Morgan Sindall	30,950	207	0.1
Valiant Petroleum	12,400	53	-	<b>Electronics &amp; electrical equipment – 1.0%</b>			
<b>Oil equipment, services &amp; distribution – 0.8%</b>				Dialight	28,389	290	0.1
AMEC	109,867	1,228	0.5	Domino Printing Sciences	132,775	726	0.3
Cape	95,478	277	0.1	E2V Technologies	272,000	305	0.1
Enteq Upstream	21,271	24	-	Morgan Crucible	262,027	658	0.2
Kentz	36,991	142	0.1	Oxford Instruments	24,585	307	0.1
Lamprell	178,000	142	0.1	TT electronics	153,707	230	0.1
				Volex Group	69,511	159	0.1
				<b>General industrials – 2.0%</b>			
				Cookson Group	147,223	818	0.3
				Rexam	282,900	1,241	0.5
				RPC Group	256,248	1,048	0.4
				Smith (DS)	580,899	880	0.3
				Smiths Group	120,792	1,307	0.5

# Portfolio statement – continued

As at 31 July 2012

Investment	Holding	Market value £'000	Total net assets %
<b>Industrial engineering – 1.3%</b>			
Bodycote	216,372	710	0.3
Fenner	71,929	253	0.1
Hill & Smith	13,254	40	-
IMI	123,671	1,020	0.4
Melrose	561,516	1,241	0.5
Renold	339,008	97	-
Severfield-Rowen	81,017	117	-
<b>Industrial transportation – 0.4%</b>			
BBA Aviation	374,236	693	0.3
Clarkson	13,960	179	0.1
<b>Support services – 4.3%</b>			
Ashtead Group	101,467	260	0.1
Atkins (WS)	103,695	767	0.3
Berendsen	151,855	774	0.3
Brammer	133,487	294	0.1
Capita Group	192,607	1,382	0.5
De La Rue	74,805	764	0.3
Diploma	207,510	851	0.3
Electrocomponents	366,341	795	0.3
Fiberweb	192,528	126	-
Hargreaves Services*	24,441	176	0.1
Harvey Nash Group	120,910	61	-
Hogg Robinson Group	308,621	178	0.1
Homeserve	441,226	909	0.3
Howden Joinery Group	40,504	55	-
Hyder Consulting	75,612	284	0.1
Interserve	47,800	154	0.1
John Menzies	151,151	951	0.4
Lonrho	1,494,400	109	-
Mitie Group	288,174	787	0.3
Paypoint	96,368	681	0.3
Regus	800,209	739	0.3
Robert Walters	23,138	41	-
Shaft Sinks	44,996	31	-
Smith News	19,775	22	-
St Ives	133,467	90	-
Staffline Group	27,200	61	-
Tribal Group	256,345	215	0.1
<b>Consumer goods – 11.2% (12.2%)</b>			
<b>Automobiles &amp; parts – 0.4%</b>			
GKN	546,173	1,160	0.4
<b>Food producers – 2.8%</b>			
Anglo-Eastern Plantations	19,622	144	0.1
Asian Plantations	31,530	70	-
Cranswick	81,440	694	0.3
Devro	34,736	103	-
Greencore Group	379,700	292	0.1
Hilton Food Group	67,907	177	0.1
M.P. Evans Group*	12,182	63	-
Tate & Lyle	166,514	1,092	0.4
Unilever	213,924	4,890	1.8
<b>Household goods – 2.2%</b>			
Berkeley Group	63,606	875	0.3
Persimmon	148,959	918	0.3
Reckitt Benckiser Group	116,941	4,114	1.6
<b>Tobacco – 5.8%</b>			
British American Tobacco	324,193	11,084	4.2
Imperial Tobacco Group	178,421	4,416	1.6
<b>Telecommunications – 7.9% (7.1%)</b>			
<b>Fixed line telecommunications – 2.1%</b>			
Alternative Networks	24,465	56	-
BT Group	1,481,210	3,233	1.2
Cable & Wireless Communications	2,444,127	774	0.3
KCOM Group	1,207,748	937	0.4
Telecom Plus	82,917	663	0.2
<b>Mobile telecommunications – 5.8%</b>			
Monitise	158,400	43	-
Talk Talk Telecom	431,636	753	0.3
Vodafone Group	8,017,181	14,748	5.5

Investment	Holding	Market value £'000	Total net assets %
<b>Basic materials – 6.4% (8.3%)</b>			
<b>Chemicals – 0.3%</b>			
Carlo	78,393	343	0.1
Elementis	141,160	290	0.1
Yule Catto & Co	130,728	185	0.1
<b>Forestry &amp; paper – 0.4%</b>			
Mondi	169,213	925	0.4
<b>Industrial metals – 0.2%</b>			
Evrax	251,770	606	0.2
International Ferro Metals	512,749	67	-
<b>Mining – 5.5%</b>			
Anglo Pacific Group	272,389	614	0.2
Avocet Mining	41,517	32	-
BHP Billiton	359,136	6,768	2.5
Cove Energy*	63,359	151	0.1
Eurasian Natural Resources	189,538	756	0.3
Gemfields Resources	190,000	70	-
Rio Tinto	212,372	6,331	2.4
<b>Health care – 4.6% (6.8%)</b>			
<b>Health care equipment &amp; services – 0.0%</b>			
Immunodiagnostic Systems	12,444	30	-
<b>Pharmaceuticals &amp; biotechnology – 4.6%</b>			
Abcam	29,989	122	-
GlaxoSmithKline	823,656	12,025	4.5
Vectura Group	332,581	228	0.1
<b>Utilities – 4.5% (5.0%)</b>			
<b>Electricity – 0.3%</b>			
Drax Group	163,802	771	0.3
OPG Power Venture	94,383	38	-
<b>Gas, water &amp; multiutilities – 4.2%</b>			
Centrica	1,007,648	3,247	1.2
National Grid	637,074	4,233	1.6
Pennon Group	134,023	1,027	0.4
Severn Trent	73,686	1,275	0.5
United Utilities Group	196,140	1,348	0.5
<b>Technology – 2.2% (1.1%)</b>			
<b>Software &amp; computer services – 1.4%</b>			
Advanced Computer Software	126,266	76	-
Anite	241,572	309	0.1
AVEVA Group	2,996	53	-
Computacenter	218,669	776	0.3
Innovation Group	926,700	169	0.1
Iomart Group	39,300	56	-
K3 Business Technology Group	22,595	35	-
Lo-Q	12,575	41	-
Micro Focus International	167,560	905	0.3
NCC Group	35,353	288	0.1
Sage Group	417,459	1,209	0.5
<b>Technology hardware &amp; equipment – 0.8%</b>			
CSR	329,693	1,035	0.4
Laird Group	355,647	767	0.3
Pace	106,754	164	0.1
Telit Communications	58,260	31	-
<b>Futures – 0.0% (0.0%)</b>			
FTSE 100 Index Futures Sep 2012	67	18	-
<b>Liquidity funds – 1.6% (0.7%)</b>			
JPM Sterling Liquidity 'X' (Income)^	4,423,819	4,424	1.6
<b>Investment assets</b>		<b>270,289</b>	<b>100.7</b>
<b>Net other liabilities</b>		<b>(1,923)</b>	<b>(0.7)</b>
<b>Net assets</b>		<b>268,366</b>	<b>100.0</b>

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

The comparative percentage figures in brackets are at 31 January 2012.

\* Listed on Alternative Investment Market (AIM)

^ Deemed to be investment in related parties of the ACD

## Portfolio movements

For the six months ending 31 July 2012

	£'000		£'000
<b>Total of all purchases for the period</b>	<b>42,321</b>	<b>Total of all sales for the period</b>	<b>55,564</b>
<b>Major purchases</b>	<b>Cost</b>	<b>Major sales</b>	<b>Proceeds</b>
Rolls Royce Group	2,977	Diageo	6,842
Sage Group	1,138	AstraZeneca	5,658
Hammerson	1,065	Scottish & Southern Energy	2,466
Admiral Group	965	Reed Elsevier	1,536
Persimmon	944	International Power	1,493
Royal Dutch Shell 'B'	904	Aviva	1,433
Evrax	880	Big Yellow Group	1,159
Electrocomponents	855	Antofagasta	1,139
TUI Travel	825	Stobart Group	1,099
Britvic	820	Schroders	1,044
Great Portland Estates	786	Bunzl	1,040
International Personal Finance	785	Whitbread	1,033
Premier Farnell	782	G4S	1,017
Cable & Wireless Communications	772	Hammerson	940
Jardine Lloyd Thompson	768	Babcock International Group	938
Close Brothers Group	761	Vedanta Resources	889
CSR	717	Resolution	868
Regus	707	Sage Group	865
HSBC	696	Standard Chartered	774
Laird Group	684	Interserve	747

# Financial statements

## Statement of total return

(Unaudited)

For the six months ending 31 July

	£'000	2012 £'000	£'000	2011 £'000
Income				
Net capital gains		5,509		1,580
Revenue	6,603		6,504	
Expenses	(2,273)		(2,280)	
Net revenue before taxation	4,330		4,224	
Taxation	-		-	
Net revenue after taxation		4,330		4,224
<b>Total return before distributions</b>		<b>9,839</b>		<b>5,804</b>
Finance costs: Distributions		(6,357)		(6,444)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>3,482</b>		<b>(640)</b>

## Balance sheet

(Unaudited)

As at

	31 July 2012		31 January 2012	
	£'000	£'000	£'000	£'000
<b>ASSETS</b>				
Investment assets		270,289		273,689
Debtors	1,404		1,135	
Cash and bank balances	391		132	
<b>Total other assets</b>		<b>1,795</b>		<b>1,267</b>
<b>Total assets</b>		<b>272,084</b>		<b>274,956</b>
<b>LIABILITIES</b>				
Creditors	(1,041)		(674)	
Distribution payable on income shares	(2,677)		(2,135)	
<b>Total liabilities</b>		<b>(3,718)</b>		<b>(2,809)</b>
<b>Net assets attributable to shareholders</b>		<b>268,366</b>		<b>272,147</b>

## Statement of change in net assets attributable to shareholders

(Unaudited)

For the six months ending 31 July

	£'000	2012 £'000	£'000	2011 £'000
<b>Opening net assets attributable to shareholders</b>		<b>272,147</b>		<b>302,318</b>
Amounts receivable on issue of shares	243		46	
Amounts payable on cancellation of shares	(11,035)		(14,441)	
		(10,792)		(14,395)
Change in net assets attributable to shareholders from investment activities (see above)		3,482		(640)
Retained distributions on accumulation shares		3,535		3,542
Stamp duty reserve tax		(6)		(5)
Unclaimed distributions		-		53
<b>Closing net assets attributable to shareholders</b>		<b>268,366</b>		<b>290,873</b>

As the comparatives in the above table are for the previous interim period, the net assets at the end of that period will not agree to the net assets at the start of the current period.

# JPM UK Managed Equity Fund

## Investment objective and policy

To provide long term capital growth by investing primarily in large capitalisation UK companies.

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

Financial Derivative Instruments (derivatives) may be used for the purpose of Efficient Portfolio Management, including hedging, where appropriate. **Shareholders will receive at least 60 days' notice of any intention to use derivatives within the Fund for investment purposes, which may change the risk profile of the Fund.** Please refer to Section 11.14 for Risk Warnings on derivatives in the Prospectus.

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

## Risk profile

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

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

The single market in which the Fund primarily invests, in this case the UK, may be subject to particular political and economic risks and, as a result, the Fund may be more volatile than more broadly diversified funds.

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

## Fund review

Eurozone debt concerns and weak UK and global economic data contributed to a volatile review period, but UK equities delivered a small positive return.

The Fund, which invests in attractively valued, high quality stocks with positive momentum, slightly outperformed its benchmark over the review period. Positive contributors to relative returns included stock selection and an overweight position in the general retailers sector and stock selection and an underweight in mining. Stock selection in media and an underweight in beverages detracted.

At the stock level, the Fund benefited most from an overweight position in clothing and homeware retailer Next, which continued to demonstrate resilience in a weak UK consumer environment, helped by its growing online business. An underweight position in Anglo American was also positive as the mining company suffered on commodity price weakness and fell after the UK Competition Commission said it would have to sell assets to gain approval for its proposed joint venture with Lafarge. Stock-level detractors from relative returns included an overweight position in broadcaster ITV, which was hurt by reports that television advertising over the summer may be weaker than expected. An underweight position in SABMiller was also detrimental after the brewer reported stronger-than-expected second-quarter revenue, driven by price increases and volume growth in emerging markets. However, relative returns were boosted by the Fund's overweight position in budget airline EasyJet, which reported a narrower first-half loss, helped by a rise in business bookings.

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).

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

Source: J.P. Morgan.

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The JPMorgan UK Managed Equity Fund, an authorised unit trust, was converted into a new sub-fund of JPMorgan Fund ICVC, an umbrella open-ended investment company, on 1 August 2008.

## Fund outlook

Growth concerns and worries over eurozone debt may contribute to continued volatility, but valuations and dividends remain attractive.

## 12 month performance to 31 July

	2012	2011	2010	2009
<b>JPM UK Managed Equity A-Class Acc</b>	<b>-1.2%</b>	<b>12.2%</b>	<b>15.7%</b>	<b>-14.0%</b>
Benchmark Index	0.7%	14.2%	18.2%	-10.9%

## Six month performance to 31 July 2012

<b>JPM UK Managed Equity A-Class Acc</b>	<b>1.5%</b>
Benchmark Index	1.4%

## Fund statistics

Risk and Reward Profile	6
Fund size	£243.6m
Benchmark Index	FTSE 100 Index (Net)
Fund charges	Initial 4.25%, Annual 1.50%

## Top ten holdings (excluding Liquidity funds) %

Royal Dutch Shell 'B'	8.6
HSBC	7.3
BP	6.8
Vodafone Group	6.3
GlaxoSmithKline	5.7
British American Tobacco	4.3
AstraZeneca	4.0
Rio Tinto	3.7
BHP Billiton	3.4
Diageo	3.1

## Sector breakdown %

Oil & gas	17.9
Financials	15.7
Consumer goods	13.6
Consumer services	11.0
Health care	9.7
Basic materials	9.5
Telecommunications	9.4
Industrials	8.7
Utilities	2.3
Technology	1.3
Liquidity funds	0.2
Net other assets	0.7

## Highest/lowest share price and distribution record

Calendar year	Highest share price	Lowest share price	Distribution per share (net)
<b>A-Class Accumulation Shares</b>			
2008	50.00p	30.40p	0.39p
2009	44.44p	28.53p	1.05p
2010	50.33p	40.13p	0.83p
2011	51.58p	41.32p	0.89p
2012 <sup>A</sup>	50.98p	45.36p	0.85p
<b>A-Class Income Shares</b>			
2008	45.50p	29.98p	0.37p
2009	42.09p	27.72p	1.02p
2010	46.82p	37.64p	0.78p
2011	47.92p	37.99p	0.82p
2012 <sup>A</sup>	46.42p	40.94p	0.78p

<sup>A</sup> To 31 July 2012.

## Portfolio turnover rate

31.01.12	96.5%
31.07.12	48.6%

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

## Net asset values and Ongoing charges

Date	Net asset value per share class £'000	Number of shares	Net asset value per share	Ongoing charges
<b>A-Class Accumulation Shares</b>				
31.01.10	236,475	558,678,541	42.33p	1.67%
31.01.11	251,733	508,709,882	49.48p	1.68%
31.01.12	226,644	469,282,408	48.30p	1.68%
31.07.12	220,529	449,962,428	49.01p	1.68%
<b>A-Class Income Shares</b>				
31.01.10	26,788	66,995,044	39.98p	1.68%
31.01.11	28,383	61,724,241	45.98p	1.68%
31.01.12	24,526	55,778,914	43.97p	1.68%
31.07.12	23,063	52,411,892	44.00p	1.68%

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 and any fixed 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 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 31 July 2012

Investment	Holding	Market value £'000	Total net assets %
<b>Oil &amp; gas - 17.9% (21.8%)</b>			
<b>Oil &amp; gas producers - 17.5%</b>			
BG Group	195,416	2,509	1.0
BP	3,918,186	16,654	6.8
Enquest	560,000	632	0.3
Royal Dutch Shell 'B'	918,134	20,828	8.6
Tullow Oil	153,399	2,010	0.8
<b>Oil equipment, services &amp; distribution - 0.4%</b>			
Petrofac	69,257	1,037	0.4
<b>Financials - 15.7% (19.3%)</b>			
<b>Banks - 10.3%</b>			
Barclays	2,595,241	4,351	1.8
HSBC	3,315,665	17,712	7.3
Lloyds Banking Group	9,316,869	2,862	1.2
<b>Financial services - 1.7%</b>			
Aberdeen Asset Management	1,381,814	3,597	1.5
Paragon Group of Companies	209,648	380	0.2
<b>Life insurance - 3.0%</b>			
Legal & General Group	2,095,670	2,695	1.1
Prudential	610,510	4,725	1.9
<b>Nonlife insurance - 0.7%</b>			
Beazley Group	257,243	407	0.2
Lancashire	153,280	1,217	0.5
<b>Consumer goods - 13.6% (14.5%)</b>			
<b>Automobiles &amp; parts - 0.4%</b>			
GKN	476,768	1,013	0.4
<b>Beverages - 3.1%</b>			
Diageo	434,915	7,515	3.1
<b>Food producers - 1.9%</b>			
Cranswick	37,796	322	0.1
Tate & Lyle	161,858	1,062	0.4
Unilever	148,046	3,384	1.4
<b>Household goods - 2.0%</b>			
Barratt Development	222,040	298	0.1
Bellway	144,409	1,178	0.5
Bovis Homes Group	210,340	947	0.4
Persimmon	189,423	1,167	0.5
Taylor Wimpey	2,566,210	1,146	0.5
<b>Tobacco - 6.2%</b>			
British American Tobacco	304,225	10,401	4.3
Imperial Tobacco Group	188,929	4,676	1.9
<b>Consumer services - 11.0% (6.8%)</b>			
<b>Food &amp; drug retails - 1.3%</b>			
Morrison (Wm.) Supermarkets	1,155,083	3,189	1.3
<b>General retailers - 3.0%</b>			
Debenhams	1,385,960	1,284	0.5
Next	151,721	4,923	2.0
WH Smith	220,108	1,224	0.5
<b>Media - 3.7%</b>			
ITV	4,444,207	3,371	1.4
WPP	692,837	5,692	2.3
<b>Travel &amp; leisure - 3.0%</b>			
Easyjet	215,966	1,221	0.5
Greene King	207,239	1,252	0.5
Ladbrokes	697,606	1,086	0.4
Stagecoach Group	431,933	1,228	0.5
Whitbread	58,974	1,263	0.5
William Hill	430,698	1,356	0.6
<b>Health care - 9.7% (10.4%)</b>			
<b>Pharmaceuticals &amp; biotechnology - 9.7%</b>			
AstraZeneca	322,338	9,652	4.0
GlaxoSmithKline	950,244	13,874	5.7

Investment	Holding	Market value £'000	Total net assets %
<b>Basic materials - 9.5% (12.0%)</b>			
<b>Chemicals - 0.4%</b>			
Elementis	520,063	1,069	0.4
<b>Forestry &amp; paper - 0.5%</b>			
Mondi	216,354	1,182	0.5
<b>Mining - 8.6%</b>			
Anglo American	89,394	1,713	0.7
BHP Billiton	438,979	8,273	3.4
Rio Tinto	301,188	8,978	3.7
Xstrata	228,097	1,950	0.8
<b>Telecommunications - 9.4% (8.0%)</b>			
<b>Fixed line telecommunications - 3.1%</b>			
BT Group	3,216,523	7,022	2.9
Telecom Plus	69,143	553	0.2
<b>Mobile telecommunications - 6.3%</b>			
Vodafone Group	8,321,307	15,307	6.3
<b>Industrials - 8.7% (3.9%)</b>			
<b>Aerospace &amp; defense - 4.0%</b>			
BAE Systems	2,122,553	6,610	2.7
Cobham	478,249	1,111	0.5
QinetiQ Group	714,743	1,209	0.5
Rolls Royce Group	91,657	794	0.3
<b>General industrials - 1.4%</b>			
Rexam	789,595	3,463	1.4
<b>Industrial engineering - 0.8%</b>			
Bodycote	154,800	508	0.2
Melrose	631,172	1,395	0.6
<b>Support services - 2.5%</b>			
Berendsen	100,278	511	0.2
Bunzl	152,421	1,712	0.7
Howden Joinery Group	797,304	1,092	0.4
Interserve	364,076	1,170	0.5
John Menzies	164,215	1,033	0.4
Paypoint	108,066	764	0.3
<b>Utilities - 2.3% (2.2%)</b>			
<b>Electricity - 0.4%</b>			
Drax Group	200,236	942	0.4
<b>Gas, water &amp; multiutilities - 1.9%</b>			
National Grid	420,263	2,793	1.1
Pennon Group	111,768	856	0.4
United Utilities Group	148,427	1,020	0.4
<b>Technology - 1.3% (0.6%)</b>			
<b>Software &amp; computer services - 0.8%</b>			
Computacenter	180,263	640	0.3
Micro Focus International	226,521	1,223	0.5
<b>Technology hardware &amp; equipment - 0.5%</b>			
Laird Group	309,105	667	0.3
Spirent Communications	351,528	579	0.2
<b>Liquidity funds - 0.2% (0.4%)</b>			
JPM Sterling Liquidity 'X' (Income)^\$	460,217	460	0.2
<b>Investment assets</b>		<b>241,939</b>	<b>99.3</b>
<b>Net other assets</b>		<b>1,653</b>	<b>0.7</b>
<b>Net assets</b>		<b>243,592</b>	<b>100.0</b>

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

The comparative percentage figures in brackets are at 31 January 2012.

^ Deemed to be investment in related parties of the ACD

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

## Portfolio movements

For the six months ending 31 July 2012

	£'000		£'000
<b>Total of all purchases for the period</b>	<b>73,928</b>	<b>Total of all sales for the period</b>	<b>82,952</b>
<b>Major purchases</b>	<b>Cost</b>	<b>Major sales</b>	<b>Proceeds</b>
JPM Sterling Liquidity 'X' (Income)^	12,755	JPM Sterling Liquidity 'X' (Income)^	13,300
BAE Systems	6,456	BG Group	4,219
WPP	5,893	Prudential	3,589
ITV	4,949	GKN	3,531
Aberdeen Asset Management	3,443	Anglo American	3,026
Rexam	3,432	Royal Dutch Shell 'B'	2,323
BT Group	2,183	Burberry Group	2,234
Melrose	1,776	Shire	2,107
Lloyds Banking Group	1,758	British American Tobacco	2,031
Rolls Royce Group	1,354	Legal & General Group	1,954
Persimmon	1,338	Hammerson	1,561
Xstrata	1,332	Imperial Tobacco Group	1,484
Easyjet	1,304	BP	1,483
Mondi	1,273	Barclays	1,438
Greene King	1,226	Spectris	1,390
Cobham	1,190	ITV	1,375
Whitbread	1,140	Provident Financial	1,358
Paragon Group of Companies	1,093	RPC Group	1,309
Debenhams	1,082	Weir Group	1,302
Bovis Homes Group	1,048	Catlin Group	1,297

^ Deemed to be investment in related parties of the ACD

## Financial statements

### Statement of total return

(Unaudited)

For the six months ending 31 July

	2012	2011
	£'000	£'000
Income		
Net capital gains/(losses)	121	(2,080)
Revenue	5,561	5,323
Expenses	(2,065)	(2,290)
Net revenue before taxation	3,496	3,033
Taxation	(1)	(25)
Net revenue after taxation	3,495	3,008
<b>Total return before distributions</b>	<b>3,616</b>	<b>928</b>
Finance costs: Distributions	(3,491)	(2,973)
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>125</b>	<b>(2,045)</b>

### Balance sheet

(Unaudited)

As at

	31 July 2012	31 January 2012
	£'000	£'000
<b>ASSETS</b>		
Investment assets	241,939	250,844
Debtors	2,138	1,016
Cash and bank balances	123	17
<b>Total other assets</b>	<b>2,261</b>	<b>1,033</b>
<b>Total assets</b>	<b>244,200</b>	<b>251,877</b>
<b>LIABILITIES</b>		
Creditors	(482)	(618)
Distribution payable on income shares	(126)	(89)
<b>Total liabilities</b>	<b>(608)</b>	<b>(707)</b>
<b>Net assets attributable to shareholders</b>	<b>243,592</b>	<b>251,170</b>

### Statement of change in net assets attributable to shareholders

(Unaudited)

For the six months ending 31 July

	2012	2011
	£'000	£'000
<b>Opening net assets attributable to shareholders</b>	<b>251,170</b>	<b>280,116</b>
Amounts receivable on issue of shares	70	186
Amounts payable on cancellation of shares	(10,874)	(12,987)
	(10,804)	(12,801)
Change in net assets attributable to shareholders from investment activities (see above)	125	(2,045)
Retained distributions on accumulation shares	3,103	2,618
Stamp duty reserve tax	(2)	(3)
<b>Closing net assets attributable to shareholders</b>	<b>243,592</b>	<b>267,885</b>

As the comparatives in the above table are for the previous interim period, the net assets at the end of that period will not agree to the net assets at the start of the current period.

# JPM UK Strategic Equity Income Fund

## Investment objective and policy

To provide long-term capital growth and income through investment in a value style biased portfolio of UK companies.

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

This Equity based fund invests in those stocks which the Investment Adviser believes to be undervalued (value stocks).

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

## Risk profile

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

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

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

The single market in which the Fund primarily invests, in this case the UK, may be subject to particular political and economic risks and, as a result, the Fund may be more volatile than more broadly diversified funds.

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

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

## Fund review

Eurozone debt concerns and weak UK and global economic data contributed to a volatile review period, but UK equities delivered a small positive return.

The Fund, which focuses on fundamentally sound stocks with strong value characteristics, slightly underperformed its benchmark over the review period. Positive contributors to relative returns included an underweight position in the mining sector and stock selection and an underweight in oil & gas producers. Stock selection and underweights in tobacco and beverages detracted.

At the stock level, the Fund benefited in relative terms from not holding mining group Xstrata, which was hurt by falling commodity prices and by worries that its planned merger with Glencore may not go through. Not holding BG Group was also positive as the oil and gas company raised the expected costs of an Australian liquefied natural gas project as a rise in the Australian dollar pushed up raw material and labour costs. Stock-level detractors from relative returns included not holding British American Tobacco, which posted a rise in first-half profit on strong emerging market demand and price increases. Not holding Diageo was also detrimental as the maker of alcoholic beverages reported strong fiscal third-quarter earnings on robust demand from emerging markets and North America. However,

relative returns were boosted by the Fund's overweight position in Talk Talk Telecom. The fixed line telecoms company reported strong results for its 2012 financial year, raised its guidance and said it would grow its dividend by at least 15% annually over the next two years.

## Fund outlook

Growth concerns and worries over eurozone debt may contribute to continued volatility, but valuations and dividends remain attractive.

## 12 month performance to 31 July

	2012	2011	2010	2009	2008
<b>JPM UK Strategic Equity Income</b>					
A-Class Acc	-1.2%	13.8%	16.4%	-11.7%	-17.5%
<b>JPM UK Strategic Equity Income</b>					
I-Class Acc	-0.3%	15.0%	17.6%	-10.7%	-
Benchmark Index	0.4%	14.9%	19.4%	-10.5%	-13.3%

## Six month performance to 31 July 2012

<b>JPM UK Strategic Equity Income A-Class Acc</b>	<b>1.8%</b>
Benchmark Index	1.9%

## Fund statistics

Risk and Reward Profile	<b>6</b>
Fund size	<b>£125.5m</b>
Benchmark Index	<b>FTSE All-Share Index (Net)</b>
Fund charges	
A-Class	<b>Initial 4.25%, Annual 1.50%</b>
I-Class	<b>Initial Nil, Annual 0.60%</b>

## Top ten holdings (excluding Liquidity funds)

	%
Royal Dutch Shell 'B'	8.0
HSBC	5.9
Vodafone Group	5.6
BP	5.0
GlaxoSmithKline	4.6
JPM UK Smaller Companies 'I' (Accumulation)^	3.1
BHP Billiton	2.7
AstraZeneca	2.5
Rio Tinto	2.5
Standard Chartered	2.0

^ Deemed to be investment in related parties of the ACD

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).

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

Source: J.P. Morgan.

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## Sector breakdown

	%
Financials	21.9
Consumer services	14.2
Oil & gas	14.0
Industrials	10.8
Basic materials	8.1
Telecommunications	7.6
Health care	7.1
Consumer goods	5.0
Utilities	4.1
Equity investment instruments	3.1
Technology	1.8
Liquidity funds	1.7
Futures	0.0
Net other assets	0.6

## Highest/lowest share price and distribution record

Calendar year	Highest share price	Lowest share price	Distribution per share (net)
<b>A-Class Accumulation Shares</b>			
2007	117.5p	101.1p	1.73p
2008	107.7p	58.88p	4.34p
2009	93.40p	56.14p	2.98p
2010	108.0p	83.77p	2.97p
2011	111.8p	88.80p	3.51p
2012 <sup>A</sup>	109.2p	96.99p	3.35p
<b>A-Class Income Shares</b>			
2007	103.9p	88.60p	1.52p
2008	94.32p	49.86p	3.76p
2009	75.24p	46.42p	2.45p
2010	83.84p	66.01p	2.35p
2011	86.38p	67.32p	2.70p
2012 <sup>A</sup>	81.26p	71.32p	2.49p
<b>I-Class Accumulation Shares<sup>B</sup></b>			
2008	112.7p	61.95p	4.04p
2009	99.40p	59.30p	3.30p
2010	116.2p	89.71p	3.30p
2011	120.5p	96.39p	3.98p
2012 <sup>A</sup>	119.1p	106.0p	3.76p
<b>I-Class Income Shares<sup>B</sup></b>			
2008	110.9p	60.31p	3.99p
2009	91.82p	56.32p	3.10p
2010	103.4p	81.06p	3.00p
2011	106.6p	83.63p	3.50p
2012 <sup>A</sup>	101.4p	89.12p	3.19p

<sup>A</sup> To 31 July 2012.

<sup>B</sup> I-Class Accumulation and I-Class Income Shares were launched on 24 January 2008.

## Portfolio turnover rate

31.01.12	115.4%
31.07.12	25.9%

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

## Net asset values and Ongoing charges

Date	Net asset value per share class £'000	Number of shares	Net asset value per share	Ongoing charges
<b>A-Class Accumulation Shares</b>				
31.01.10	163,852	185,862,552	88.16p	1.67%
31.01.11	153,052	143,299,635	106.8p	1.68%
31.01.12	123,176	119,761,097	102.9p	1.68%
31.07.12	108,158	103,369,298	104.6p	1.68%
<b>A-Class Income Shares</b>				
31.01.10	6,811	9,717,157	70.09p	1.68%
31.01.11	7,143	8,654,436	82.53p	1.68%
31.01.12	5,606	7,321,103	76.57p	1.68%
31.07.12	6,733	8,845,726	76.11p	1.68%
<b>I-Class Accumulation Shares</b>				
31.01.10	6,285	6,688,114	93.98p	0.60%
31.01.11	5,485	4,765,498	115.1p	0.60%
31.01.12	4,825	4,307,561	112.0p	0.60%
31.07.12	3,547	3,096,218	114.6p	0.60%
<b>I-Class Income Shares</b>				
31.01.10	6,844	7,985,710	85.71p	0.60%
31.01.11	7,665	7,525,245	101.9p	0.60%
31.01.12	6,588	6,907,625	95.37p	0.60%
31.07.12	7,092	7,447,277	95.22p	0.60%

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

Following the adoption of the requirements of UCITS IV in June 2012, Ongoing charges has replaced the Total expense ratio (TER). The Ongoing charges takes into account the ACD fee and any fixed expenses expressed as a percentage of the daily net asset values over the period. The main difference between the two calculations is the inclusion of 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 31 July 2012

Investment	Holding	Market value £'000	Total net assets %
<b>Financials – 21.9% (22.4%)</b>			
<b>Banks – 10.2%</b>			
Barclays	1,118,200	1,875	1.5
HSBC	1,387,971	7,415	5.9
Lloyds Banking Group	3,104,136	954	0.8
Standard Chartered	171,308	2,535	2.0
<b>General financial – 3.4%</b>			
Aberdeen Asset Management	193,781	504	0.4
Close Brothers Group	44,580	333	0.3
ICAP	118,413	379	0.3
Intermediate Capital Group	199,220	518	0.4
International Personal Finance	135,700	394	0.3
Jupiter Fund Management	140,384	305	0.2
London Stock Exchange Group	55,797	548	0.4
Paragon Group of Companies	258,765	468	0.4
Provident Financial	41,100	533	0.4
Tullett Prebon	143,815	391	0.3
<b>Life insurance – 4.3%</b>			
Legal & General Group	778,572	1,001	0.8
Old Mutual	622,678	995	0.8
Prudential	242,956	1,880	1.5
Resolution	281,350	591	0.5
Standard Life	358,237	871	0.7
<b>Nonlife insurance – 2.6%</b>			
Amlin	146,000	553	0.5
Beazley Group	336,731	532	0.4
Catlin Group	126,608	549	0.4
Hiscox	135,546	603	0.5
Lancashire	64,446	512	0.4
RSA Insurance Group	474,236	528	0.4
<b>Real estate – 1.4%</b>			
Big Yellow Group	87,300	275	0.2
Grainger	294,168	265	0.2
Hammerson	154,519	718	0.6
Savills	92,084	332	0.3
Unite Group	53,570	113	0.1
<b>Consumer services – 14.2% (14.3%)</b>			
<b>Food &amp; drug retailers – 3.0%</b>			
Morrison (Wm.) Supermarkets	334,218	923	0.7
Sainsbury (J)	241,626	772	0.6
Tesco	686,100	2,179	1.7
<b>General retailers – 3.1%</b>			
Debenhams	589,021	546	0.4
Inchcape	146,336	552	0.4
Kingfisher	318,022	851	0.7
Marks & Spencer	234,088	790	0.6
Next	22,900	743	0.6
WH Smith	88,425	492	0.4
<b>Media – 3.5%</b>			
Daily Mail & General Trust 'A'	99,707	455	0.4
Informa	142,494	529	0.4
ITV	796,946	604	0.5
Reed Elsevier	171,724	929	0.7
UBM	93,628	611	0.5
WPP	145,941	1,199	1.0
<b>Travel &amp; leisure – 4.6%</b>			
Easyjet	99,919	565	0.5
Go-Ahead Group	36,057	468	0.4
Greene King	92,942	561	0.4
Ladbrokes	330,236	514	0.4
Marston's	459,170	512	0.4
Mitchells & Butlers	191,337	505	0.4
National Express Group	230,601	490	0.4
Stagecoach Group	200,364	569	0.5
TUI Travel	260,995	475	0.4
Wetherspoon (J.D.)	70,100	325	0.3
William Hill	212,817	670	0.5
<b>Oil &amp; gas – 14.0% (14.9%)</b>			
<b>Oil &amp; gas producers – 13.8%</b>			
BP	1,464,849	6,226	5.0
Ophir Energy	90,970	536	0.4
Premier Oil	119,300	465	0.4
Royal Dutch Shell 'B'	444,300	10,079	8.0
<b>Oil equipment, services &amp; distribution – 0.2%</b>			
Kentz	80,192	307	0.2

Investment	Holding	Market value £'000	Total net assets %
<b>Industrials – 10.8% (10.1%)</b>			
<b>Aerospace &amp; defence – 2.3%</b>			
BAE Systems	379,059	1,180	0.9
Cobham	245,629	571	0.5
Meggitt	163,972	641	0.5
QinetiQ Group	326,553	553	0.4
<b>Construction &amp; materials – 1.1%</b>			
Balfour Beatty	175,187	515	0.4
Galliford Try	57,934	352	0.3
Kier Group	35,476	451	0.4
<b>Electronics &amp; electrical equipment – 0.6%</b>			
Morgan Crucible	152,862	384	0.3
Spectris	23,985	377	0.3
<b>General industrials – 2.2%</b>			
Cookson Group	60,623	337	0.2
Rexam	166,450	730	0.6
RPC Group	111,123	454	0.4
Smith (DS)	323,311	490	0.4
Smiths Group	70,787	766	0.6
<b>Industrial engineering – 1.0%</b>			
Bodycote	80,985	266	0.2
Fenner	91,150	321	0.3
IMI	70,512	582	0.5
<b>Industrial transportation – 0.3%</b>			
BBA Aviation	235,919	437	0.3
<b>Support services – 3.3%</b>			
Atkins (WS)	66,076	489	0.4
Berendsen	98,945	504	0.4
Electrocomponents	143,294	311	0.2
Howden Joinery Group	401,788	550	0.4
Interserve	139,814	449	0.4
John Menzies	42,579	268	0.2
Premier Farnell	195,653	347	0.3
Rentokil Initial	519,500	374	0.3
SIG	297,714	284	0.2
Travis Perkins	61,416	620	0.5
<b>Basic materials – 8.1% (7.9%)</b>			
<b>Chemicals – 0.2%</b>			
Yule Catto & Co	196,750	278	0.2
<b>Forestry &amp; paper – 0.3%</b>			
Mondi	72,840	398	0.3
<b>Industrial metals &amp; mining – 0.3%</b>			
Evrax	144,198	347	0.3
<b>Mining – 7.3%</b>			
Anglo American	115,000	2,204	1.8
BHP Billiton	176,809	3,332	2.7
Kazakhmys	56,100	401	0.3
Rio Tinto	104,686	3,121	2.5
<b>Telecommunications – 7.6% (9.1%)</b>			
<b>Fixed line telecommunications – 1.6%</b>			
BT Group	761,865	1,663	1.3
KCOM Group	509,709	395	0.3
<b>Mobile telecommunications – 6.0%</b>			
Talk Talk Telecom	271,513	474	0.4
Vodafone Group	3,809,604	7,008	5.6
<b>Health care – 7.1% (7.2%)</b>			
<b>Pharmaceuticals &amp; biotechnology – 7.1%</b>			
AstraZeneca	106,454	3,188	2.5
GlaxoSmithKline	393,022	5,738	4.6
<b>Consumer goods – 5.0% (2.9%)</b>			
<b>Automobiles &amp; parts – 0.5%</b>			
GKN	316,634	673	0.5
<b>Food producers – 0.7%</b>			
Cranswick	44,610	380	0.3
Dairy Crest Group	133,816	450	0.4
<b>Household goods – 2.0%</b>			
Barratt Development	384,857	516	0.4
Bellway	64,037	522	0.4
Bovis Homes Group	103,500	466	0.4
Persimmon	91,533	564	0.4
Taylor Wimpey	1,136,466	507	0.4
<b>Tobacco – 1.8%</b>			
Imperial Tobacco Group	89,326	2,211	1.8

## Portfolio statement – continued

As at 31 July 2012

Investment	Holding	Market value £'000	Total net assets %
<b>Utilities – 4.1% (4.2%)</b>			
<b>Electricity – 1.4%</b>			
Drax Group	105,435	496	0.4
SSE	98,800	1,299	1.0
<b>Gas, water &amp; multiutilities – 2.7%</b>			
Centrica	509,458	1,641	1.3
National Grid	262,700	1,746	1.4
<b>Equity investment instruments – 3.1% (2.7%)</b>			
JPM UK Smaller Companies 'I' (Accumulation)^	920,181	3,931	3.1
<b>Technology – 1.8% (1.2%)</b>			
<b>Software &amp; computer services – 1.1%</b>			
Computacenter	113,770	404	0.3
Logica	446,105	467	0.4
Micro Focus International	92,575	500	0.4
<b>Technology hardware &amp; equipment – 0.7%</b>			
CSR	117,444	369	0.3
Laird Group	214,699	463	0.4
<b>Futures – 0.0% (0.1%)</b>			
FTSE 100 Index Futures Sep 2012	30	6	-
<b>Liquidity funds – 1.7% (2.6%)</b>			
JPM Sterling Liquidity 'X' (Income)^§	2,150,089	2,150	1.7
<b>Investment assets</b>		<b>124,823</b>	<b>99.4</b>
<b>Net other assets</b>		<b>707</b>	<b>0.6</b>
<b>Net assets</b>		<b>125,530</b>	<b>100.0</b>

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

The comparative percentage figures in brackets are at 31 January 2012.

^ Deemed to be investment in related parties of the ACD

§ Approved security as defined in the Collective Investment Schemes sourcebook

## Portfolio movements

For the six months ending 31 July 2012

	£'000		£'000
<b>Total of all purchases for the period</b>	<b>29,636</b>	<b>Total of all sales for the period</b>	<b>44,571</b>
<b>Major purchases</b>	<b>Cost</b>	<b>Major sales</b>	<b>Proceeds</b>
JPM Sterling Liquidity 'X' (Income)^	8,306	JPM Sterling Liquidity 'X' (Income)^	9,811
Anglo American	3,157	Royal Dutch Shell 'B'	1,639
RSA Insurance Group	1,187	Aviva	1,103
Lloyds Banking Group	969	Vodafone Group	965
Kazakhmys	824	Land Securities	929
Inmarsat	527	Cable & Wireless Communications	844
Cobham	514	Standard Chartered	791
Balfour Beatty	501	HSBC	780
ICAP	468	BP	727
Henderson Group	466	Melrose	713
Mondi	439	GlaxoSmithKline	708
Premier Farnell	424	AMEC	652
Premier Oil	418	F&C Asset Management	640
Cookson Group	412	RSA Insurance Group	633
Dixons Retails	398	G4S	629
Ophir Energy	390	Brewin Dolphin	626
Logica	373	Bodycote	605
KCOM Group	373	Mitie Group	605
Chemring Group	371	Elementis	590
Rentokil Initial	368	National Grid	555

^ Deemed to be investment in related parties of the ACD

# Financial statements

## Statement of total return

(Unaudited)

For the six months ending 31 July

	2012	2011
	£'000	£'000
Income		
Net capital gains/(losses)	395	(2,962)
Revenue	3,231	3,294
Expenses	(1,047)	(1,285)
Net revenue before taxation	2,184	2,009
Taxation	-	(12)
Net revenue after taxation	2,184	1,997
<b>Total return before distributions</b>	<b>2,579</b>	<b>(965)</b>
Finance costs: Distributions	(3,121)	(3,155)
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>(542)</b>	<b>(4,120)</b>

## Balance sheet

(Unaudited)

As at

	31 July 2012	31 January 2012
	£'000	£'000
<b>ASSETS</b>		
Investment assets	124,823	139,686
Debtors	571	536
Cash and bank balances	474	361
<b>Total other assets</b>	<b>1,045</b>	<b>897</b>
<b>Total assets</b>	<b>125,868</b>	<b>140,583</b>
<b>LIABILITIES</b>		
Creditors	(184)	(277)
Distribution payable on income shares	(154)	(111)
<b>Total liabilities</b>	<b>(338)</b>	<b>(388)</b>
<b>Net assets attributable to shareholders</b>	<b>125,530</b>	<b>140,195</b>

## Statement of change in net assets attributable to shareholders

(Unaudited)

For the six months ending 31 July

	2012	2011
	£'000	£'000
<b>Opening net assets attributable to shareholders</b>	<b>140,195</b>	<b>173,345</b>
Amounts receivable on issue of shares	2,819	2,537
Amounts payable on cancellation of shares	(19,630)	(22,310)
	(16,811)	(19,773)
<b>Change in net assets attributable to shareholders from investment activities (see above)</b>	<b>(542)</b>	<b>(4,120)</b>
Retained distributions on accumulation shares	2,696	2,775
Stamp duty reserve tax	(8)	(16)
Unclaimed distributions	-	2
<b>Closing net assets attributable to shareholders</b>	<b>125,530</b>	<b>152,213</b>

As the comparatives in the above table are for the previous interim period, the net assets at the end of that period will not agree to the net assets at the start of the current period.

# JPM UK Strategic Growth Fund

## Investment objective and policy

To provide long-term capital growth through investment primarily in a growth style biased portfolio of UK companies.

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

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

**Financial Derivative Instruments (derivatives) may be used for the purpose of Efficient Portfolio Management, including hedging, where appropriate (see section 11.14 for Risk Warnings on derivatives of the Prospectus). Subject to at least 60 days notice to shareholders, the Fund may use derivatives for investment purposes which may change the risk profile of the Fund.**

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

## Risk profile

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

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

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

The single market in which the Fund primarily invests, in this case the UK, may be subject to particular political and economic risks and, as a result, the Fund may be more volatile than more broadly diversified funds.

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

## Fund review

Eurozone debt concerns and weak UK and global economic data contributed to a volatile review period, but UK equities delivered a small positive return.

The Fund, which focuses on stocks with strong momentum and quality characteristics, outperformed its benchmark over the review period. Positive contributors to relative returns included an underweight position in the mining sector and stock selection and an overweight in support services. An underweight in mobile telecoms detracted, as did stock selection and an overweight in industrial engineering.

At the stock level, the Fund benefited in relative terms from not holding Xstrata and Anglo American, as commodity price weakness weighed on the mining sector. Xstrata was also hurt by worries that its planned merger with Glencore may not go through, while Anglo American fell after the UK Competition Commission said that it would have to sell assets to gain approval for its proposed construction materials joint venture with Lafarge. The most significant stock-level detractor from relative returns was an underweight position in mobile network operator Vodafone, which was sought for its defensive qualities and reported faster-than-expected service revenue growth

for its fiscal fourth quarter. An overweight position in Weir Group was also detrimental as the sharp decline in natural gas prices weighed on demand for the industrial engineer's fracking equipment. However, relative returns were boosted by the Fund's overweight position in Intertek, a provider of safety and quality services, which reported a jump in first-half revenue on strong performance in Africa and the Middle East.

## Fund outlook

Growth concerns and worries over eurozone debt may contribute to continued volatility, but valuations and dividends remain attractive.

## 12 month performance to 31 July

	2012	2011	2010
<b>JPM UK Strategic Growth A-Class Acc</b>	<b>-0.9%</b>	<b>15.0%</b>	<b>21.6%</b>
Benchmark Index	0.4%	14.9%	19.4%

## Six month performance to 31 July 2012

<b>JPM UK Strategic Growth A-Class Acc</b>	<b>5.0%</b>
Benchmark Index	1.9%

## Fund statistics

Risk and Reward Profile	<b>6</b>
Fund size	<b>£4.5m</b>
Benchmark Index	<b>FTSE All-Share Index (Net)</b>
Fund charges	<b>Initial 4.25%, Annual 1.50%</b>

## Top ten holdings

	%
Royal Dutch Shell 'B'	5.5
GlaxoSmithKline	4.3
British American Tobacco	4.0
HSBC	3.5
Vodafone Group	3.3
JPM UK Smaller Companies 'I' (Accumulation)^	2.9
Diageo	2.8
Unilever	1.9
SABMiller	1.8
Imperial Tobacco Group	1.7

^ Deemed to be investment in related parties of the ACC

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).

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

Source: J.P. Morgan.

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## Sector breakdown

	%
Consumer goods	18.5
Industrials	16.8
Consumer services	14.6
Financials	14.0
Oil & gas	8.7
Health care	5.6
Telecommunications	5.5
Equity investment instruments	2.9
Technology	2.7
Utilities	2.5
Basic materials	2.1
Futures	0.1
Net other assets	6.0

## Highest/lowest share price and distribution record

Calendar year	Highest share price	Lowest share price	Distribution per share (net)
<b>A-Class Accumulation Shares<sup>A</sup></b>			
2008	51.58p	49.70p	-
2009	62.55p	43.33p	0.00p
2010	73.56p	57.65p	0.81p
2011	77.25p	60.84p	0.42p
2012 <sup>B</sup>	74.91p	67.83p	0.77p
<b>A-Class Income Shares<sup>A</sup></b>			
2008	51.58p	49.70p	-
2009	62.55p	43.33p	0.00p
2010	72.56p	56.86p	0.81p
2011	75.76p	59.67p	0.41p
2012 <sup>B</sup>	72.62p	65.79p	0.75p

<sup>A</sup> A-Class Accumulation and A-Class Income Shares were launched on 18 December 2008.

<sup>B</sup> To 31 July 2012.

## Portfolio turnover rate

31.01.12	190.0%
31.07.12	92.4%

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.

## Net asset values and Ongoing charges

Date	Net asset value per share class £'000	Number of shares	Net asset value per share	Ongoing charges
<b>A-Class Accumulation Shares</b>				
31.01.10	1,841	3,126,449	58.88p	1.68%
31.01.11	2,341	3,239,407	72.27p	1.68%
31.01.12	2,264	3,265,020	69.34p	1.68%
31.07.12	2,393	3,286,070	72.82p	1.68%
<b>A-Class Income Shares</b>				
31.01.10 <sup>C</sup>	1,765	3,040,402	58.07p	1.68%
31.01.11 <sup>C</sup>	2,167	3,057,596	70.87p	1.68%
31.01.12 <sup>C</sup>	2,043	3,038,075	67.26p	1.68%
31.07.12	2,141	3,031,607	70.63p	1.68%

<sup>C</sup> The net asset value and the net asset value per income share are shown ex-dividend at the financial year end.

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 and any fixed 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 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 31 July 2012

Investment	Holding	Market value £'000	Total net assets %
<b>Consumer goods - 18.5% (18.0%)</b>			
<b>Automobiles &amp; parts - 0.4%</b>			
GKN	9,182	20	0.4
<b>Beverages - 4.6%</b>			
Diageo	7,237	125	2.8
SABMiller	2,935	81	1.8
<b>Food producers - 3.5%</b>			
Associated British Foods	2,111	26	0.6
Cranswick	1,603	14	0.3
Devro	4,525	13	0.3
Tate & Lyle	3,055	20	0.4
Unilever	3,707	85	1.9
<b>Household goods - 3.7%</b>			
Barratt Development	11,903	16	0.3
Bellway	1,960	16	0.3
Berkeley Group	1,314	18	0.4
Bovis Homes Group	2,950	13	0.3
Persimmon	2,808	17	0.4
Reckitt Benckiser Group	2,072	73	1.6
Taylor Wimpey	36,006	16	0.4
<b>Personal goods - 0.6%</b>			
Burberry Group	1,996	26	0.6
<b>Tobacco - 5.7%</b>			
British American Tobacco	5,347	183	4.0
Imperial Tobacco Group	3,095	77	1.7
<b>Industrials - 16.8% (14.9%)</b>			
<b>Aerospace &amp; defence - 4.1%</b>			
BAE Systems	11,786	37	0.8
Cobham	7,861	18	0.4
Meggitt	5,363	21	0.5
QinetiQ Group	10,293	17	0.4
Rolls Royce Group	6,403	55	1.2
Senior	7,176	14	0.3
Smiths Group	1,959	21	0.5
<b>Construction &amp; materials - 0.5%</b>			
Balfour Beatty	4,804	14	0.3
Galliford Try	1,812	11	0.2
<b>Electronics &amp; electrical equipment - 1.6%</b>			
Dialight	1,243	13	0.3
Halma	4,396	18	0.4
Invensys	7,205	17	0.4
Oxford Instruments	875	11	0.2
Renishaw	966	15	0.3
<b>General industrials - 0.7%</b>			
Rexam	4,415	19	0.4
RPC Group	3,540	14	0.3
<b>Industrial engineering - 2.3%</b>			
Bodycote	3,958	13	0.3
Fenner	3,331	12	0.3
IMI	1,917	16	0.4
Melrose	12,180	27	0.6
Rotork	875	19	0.4
Spirax Sarco Engineering	664	13	0.3
<b>Support services - 7.6%</b>			
AMEC	1,819	20	0.4
Ashtead Group	6,511	17	0.4
Atkins (WS)	1,963	15	0.3
Babcock International Group	2,555	22	0.5
Berendsen	2,935	15	0.3
Bunzl	2,081	23	0.5
De La Rue	1,474	15	0.3
Diploma	2,502	10	0.2
Electrocomponents	4,840	10	0.2
Experian	3,977	38	0.8
Filtrona	3,221	15	0.3
Howden Joinery Group	12,393	17	0.4
Intertek Group	950	26	0.6
John Menzies	1,676	10	0.2
Mitie Group	5,300	14	0.3
Paypoint	1,649	12	0.3
Regus	12,197	11	0.2
RPS Group	5,208	12	0.3
Travis Perkins	1,636	17	0.4
Wolseley	1,284	30	0.7

Investment	Holding	Market value £'000	Total net assets %
<b>Consumer services - 14.6% (11.0%)</b>			
<b>Food &amp; drug retailers - 0.4%</b>			
Booker Group	20,258	19	0.4
<b>General retailers - 2.7%</b>			
Debenhams	15,358	14	0.3
Dignity	1,655	14	0.3
Dunelm Group	2,177	12	0.2
Inchcape	4,854	18	0.4
Next	884	29	0.6
Sports Direct International	4,589	13	0.3
Ted Baker	743	7	0.2
WH Smith	2,853	16	0.4
<b>Media - 5.8%</b>			
Aegis Group	7,570	18	0.4
British Sky Broadcasting Group	5,041	36	0.8
Daily Mail & General Trust 'A'	2,637	12	0.3
EuroMoney Institutional Investor	1,356	10	0.2
ITE Group	4,459	8	0.2
ITV	22,487	17	0.4
Moneysupermarket.Com Group	10,931	16	0.4
Pearson	3,166	38	0.8
Perform Group	2,783	10	0.2
Reed Elsevier	4,785	26	0.6
Rightmove Group	1,114	17	0.3
UBM	2,684	18	0.4
WPP	4,503	37	0.8
<b>Travel &amp; leisure - 5.7%</b>			
Carnival	1,002	22	0.5
Compass Group	6,920	48	1.1
Domino's Pizza	2,338	12	0.3
Easyjet	2,644	15	0.3
Greene King	3,167	19	0.4
Intercontinental Hotels Group	1,367	22	0.5
Ladbroke's	8,179	13	0.3
Marston's	11,270	13	0.3
Millennium & Copthorne Hotels	2,446	12	0.3
Restaurant Group	3,797	12	0.3
Stagecoach Group	5,120	15	0.3
TUI Travel	7,050	13	0.3
Whitbread	963	21	0.4
William Hill	6,490	20	0.4
<b>Financials - 14.0% (9.3%)</b>			
<b>Banks - 4.8%</b>			
Barclays	36,541	61	1.3
HSBC	30,014	160	3.5
<b>Financial services - 2.8%</b>			
Aberdeen Asset Management	6,675	17	0.4
Hargreaves Lansdown	2,560	15	0.3
Intermediate Capital Group	5,401	14	0.3
International Personal Finance	5,583	16	0.4
London Stock Exchange Group	1,817	18	0.4
Provident Financial	1,429	19	0.4
Rathbone Brothers	1,162	15	0.3
Schroders	1,053	14	0.3
<b>Life insurance - 3.4%</b>			
Legal & General Group	22,352	29	0.7
Old Mutual	18,903	30	0.7
Prudential	8,218	64	1.4
Standard Life	11,636	28	0.6
<b>Nonlife insurance - 1.1%</b>			
Admiral Group	1,381	15	0.3
Jardine Lloyd Thompson	2,335	17	0.4
Lancashire Holdings	2,127	17	0.4
<b>Real estate - 1.9%</b>			
Capital & Counties Properties	8,569	18	0.4
Derwent London	748	15	0.3
Great Portland Estates	3,809	16	0.4
Hammerson	4,469	21	0.5
Savills	3,878	14	0.3

# Portfolio statement – continued

As at 31 July 2012

Investment	Holding	Market value £'000	Total net assets %
<b>Oil &amp; gas – 8.7% (20.1%)</b>			
<b>Oil &amp; gas producers – 7.4%</b>			
Afren	11,667	15	0.3
Enquest	12,526	14	0.3
Ophir Energy	2,922	17	0.4
Royal Dutch Shell 'B'	11,050	251	5.5
Tullow Oil	3,236	42	0.9
<b>Oil equipment, services &amp; distribution – 1.3%</b>			
Kentz	3,058	12	0.3
Petrofac	1,499	22	0.5
Wood Group (John)	2,672	21	0.5
<b>Health care – 5.6% (9.3%)</b>			
<b>Health care equipment &amp; services – 0.6%</b>			
Smith & Nephew	3,895	26	0.6
<b>Pharmaceuticals &amp; biotechnology – 5.0%</b>			
BTG	4,217	16	0.4
Genus	1,137	14	0.3
GlaxoSmithKline	13,490	197	4.3
<b>Telecommunications – 5.5% (2.0%)</b>			
<b>Fixed line telecommunications – 1.8%</b>			
BT Group	25,903	57	1.3
KCOM Group	18,346	14	0.3
Telecom Plus	1,323	11	0.2
<b>Mobile telecommunications – 3.7%</b>			
Talk Talk Telecom	9,833	17	0.4
Vodafone Group	82,160	151	3.3
<b>Equity investment instruments – 2.9% (2.8%)</b>			
JPM UK Smaller Companies 'I' (Accumulation)^	29,858	128	2.9
<b>Technology – 2.7% (4.0%)</b>			
<b>Software &amp; computer services – 2.1%</b>			
Anite	8,562	11	0.2
AVEVA Group	754	13	0.3
Micro Focus International	3,330	18	0.4
Sage Group	7,488	22	0.5
SDL	1,992	14	0.3
Telecity Group	2,092	18	0.4
<b>Technology hardware &amp; equipment – 0.6%</b>			
Laird Group	7,108	15	0.3
Spirent Communications	7,509	12	0.3
<b>Utilities – 2.5% (3.7%)</b>			
<b>Gas, water &amp; multiutilities – 2.5%</b>			
National Grid	11,032	73	1.6
Severn Trent	1,146	20	0.4
United Utilities Group	3,168	22	0.5
<b>Basic materials – 2.1% (4.2%)</b>			
<b>Chemicals – 1.8%</b>			
AZ Electronic Materials	4,072	11	0.2
Croda International	959	23	0.5
Elementis	7,495	15	0.3
Johnson Matthey	950	21	0.5
Victrex	919	12	0.3
<b>Forestry &amp; paper – 0.3%</b>			
Mondi	2,772	15	0.3
<b>Futures – 0.1% (0.0%)</b>			
FTSE 100 Index Futures Sep 2012	4	3	0.1
<b>Investment assets</b>		<b>4,261</b>	<b>94.0</b>
<b>Net other assets</b>		<b>273</b>	<b>6.0</b>
<b>Net assets</b>		<b>4,534</b>	<b>100.0</b>

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

The comparative percentage figures in brackets are at 31 January 2012.

^ Deemed to be investment in related parties of the ACD

## Portfolio movements

For the six months ending 31 July 2012

	£'000		£'000
<b>Total of all purchases for the period</b>	<b>1,998</b>	<b>Total of all sales for the period</b>	<b>2,177</b>
<b>Major purchases</b>	<b>Cost</b>	<b>Major sales</b>	<b>Proceeds</b>
HSBC	172	BP	214
Vodafone Group	150	Royal Dutch Shell 'B'	122
Standard Chartered	93	BG Group	121
Barclays	79	Standard Chartered	97
Reckitt Benckiser Group	73	AstraZeneca	94
WPP	36	Shire	37
CRH	35	International Power	34
BAE Systems	35	Kingfisher	33
Old Mutual	34	Morrison (Wm.) Supermarkets	31
Legal & General Group	27	CRH	31
Reed Elsevier	26	Aggreko	30
Smith & Nephew	24	Smith (DS)	30
Carnival	22	ARM Holdings	29
United Utilities Group	22	Land Securities	28
Royal Dutch Shell 'B'	21	GKN	26
Severn Trent	21	G4S	25
Smiths Group	21	Computacenter	25
Hammerson	20	United Utilities Group	25
AMEC	20	Fresnillo	24
Intercontinental Hotels Group	19	Capita Group	23

# Financial statements

## Statement of total return

(Unaudited)

For the six months ending 31 July

	£'000	2012 £'000	£'000	2011 £'000
Income				
Net capital gains		172		53
Revenue	81		60	
Expenses	(37)		(38)	
Net revenue before taxation	44		22	
Taxation	-		-	
Net revenue after taxation		44		22
<b>Total return before distributions</b>		<b>216</b>		<b>75</b>
Finance costs: Distributions		-		-
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>216</b>		<b>75</b>

## Statement of change in net assets attributable to shareholders

(Unaudited)

For the six months ending 31 July

	£'000	2012 £'000	£'000	2011 £'000
<b>Opening net assets attributable to shareholders</b>		<b>4,307</b>		<b>4,508</b>
Amounts receivable on issue of shares	30		78	
Amounts payable on cancellation of shares	(19)		(27)	
		11		51
Change in net assets attributable to shareholders from investment activities (see above)		216		75
<b>Closing net assets attributable to shareholders</b>		<b>4,534</b>		<b>4,634</b>

As the comparatives in the above table are for the previous interim period, the net assets at the end of that period will not agree to the net assets at the start of the current period.

## Balance sheet

(Unaudited)

As at

	31 July 2012		31 January 2012	
	£'000	£'000	£'000	£'000
<b>ASSETS</b>				
Investment assets		4,261		4,278
Debtors	42		7	
Cash and bank balances	239		52	
<b>Total other assets</b>		<b>281</b>		<b>59</b>
<b>Total assets</b>		<b>4,542</b>		<b>4,337</b>
<b>LIABILITIES</b>				
Creditors	(8)		(7)	
Distribution payable on income shares	-		(23)	
<b>Total liabilities</b>		<b>(8)</b>		<b>(30)</b>
<b>Net assets attributable to shareholders</b>		<b>4,534</b>		<b>4,307</b>

# JPM US Equity Income Fund

## Investment objective and policy

To provide a portfolio designed to achieve income by investing primarily in US Equities in any economic sector whilst participating in long term capital growth.

US Equities are securities issued by companies that are incorporated under the laws of, and have their registered office in, the US, or that derive the predominant part of their economic activity from the US, even if listed elsewhere.

**Financial Derivative Instruments (derivatives) may be used for the purpose of Efficient Portfolio Management, including hedging, where appropriate (see section 11.14 for Risk Warnings on derivatives in the Prospectus). Subject to at least 60 days notice to shareholders, the Fund may use derivatives for investment purposes which may change the risk profile of the Fund.**

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

## Risk profile

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

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

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

The single market in which the Fund primarily invests, in this case the US, may be subject to particular political and economic risks and, as a result, the Fund may be more volatile than more broadly diversified funds.

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

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

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

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

## Fund review

The six months under review were marred by continued concerns over the future of the European Currency Union and the prospects of a global economic slowdown. The Fund outperformed its benchmark for the period. Our process, which focuses on high quality stocks, produced a lower volatility portfolio that led us to outperform the benchmark. Stock selection accounted for all of the outperformance in the period, with strong stock selection in the healthcare, energy and materials sectors adding the most relative value. On an absolute basis, the top contributing stocks included Merck & Co, PPG Industries and Sempra Energy.

In contrast, our stock selection in the information technology and consumer discretionary sectors detracted from relative returns. A lack of exposure to Apple for most of the period under review, and an overweight position in Prudential Financial, disappointed the most.

## Fund outlook

While the pace of the US expansion has slowed, we do not see a double-dip recession. However, policy uncertainty in both Europe and the US has capped equity valuations. Except for the more defensive utilities and telecom services sectors, price earnings multiples for the remainder of the US equity market are very attractive. The US elections and the potential fiscal cliff are certain to be sources of additional volatility. However, US corporations are healthy with ample firepower to increase investment once macro and policy headwinds subside. As with the European situation, any clarity towards a progressive outcome could be a powerful force in driving depressed equity valuations to higher levels.

## 12 month performance to 31 July

	2012	2011	2010
<b>JPM US Equity Income A-Class Acc</b>	<b>16.3%</b>	<b>15.5%</b>	<b>21.7%</b>
<b>JPM US Equity Income B-Class Inc</b>	<b>16.8%</b>	<b>16.1%</b>	<b>22.3%</b>
<b>JPM US Equity Income C-Class Inc</b>	<b>17.2%</b>	<b>16.4%</b>	<b>22.6%</b>
Benchmark Index	14.0%	13.8%	20.1%
<b>JPM US Equity Income A-Class Inc (GBP Hedged)</b>	<b>11.8%</b>	<b>22.0%</b>	-
Hedged Benchmark Index	7.7%	19.0%	-

## Six month performance to 31 July 2012

<b>JPM US Equity Income A-Class Acc</b>	<b>7.0%</b>
Benchmark Index	6.8%
<b>JPM US Equity Income A Inc (GBP Hedged)</b>	<b>6.3%</b>
Hedged Benchmark Index	5.7%

## Fund statistics

Risk and Reward Profile	<b>6</b>
Fund size	<b>£838.8m</b>
Benchmark Index	<b>S&amp;P 500 Index (Net)</b>
Hedged Benchmark Index	<b>S&amp;P 500 Index (Net) hedged to GBP</b>
Fund charges	
A-Class	<b>Initial 4.25%, Annual 1.50%</b>
B-Class	<b>Initial Nil, Annual 1.00%</b>
C-Class	<b>Initial Nil, Annual 0.75%</b>

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).

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

## Top ten holdings

	%
Wells Fargo	4.0
Merck & Co	3.7
Pfizer	3.3
Verizon Communications	2.7
Chevron	2.3
ConocoPhillips	2.3
T. Rowe Price	2.1
Microsoft	2.0
Lorrillard	2.0
PPG Industries	1.9

## Sector breakdown

	%
Financials	21.7
Consumer goods	13.1
Health care	11.2
Industrials	10.2
Consumer services	10.2
Oil & gas	9.3
Technology	8.4
Utilities	7.2
Telecommunications	4.7
Basic materials	4.3
Forward currency contracts	0.0
Net other liabilities	(0.3)

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

## Highest/lowest share price and distribution record

Calendar year	Highest share price	Lowest share price	Distribution per share (net)
<b>A-Class Accumulation Shares<sup>A</sup></b>			
2008	53.75p	49.81p	-
2009	58.98p	42.99p	1.18p
2010	70.31p	56.37p	1.66p
2011	74.94p	60.09p	1.69p
2012 <sup>B</sup>	80.55p	74.03p	1.45p
<b>A-Class Income Shares<sup>A</sup></b>			
2008	53.75p	49.81p	-
2009	57.70p	42.90p	1.15p
2010	66.99p	55.04p	1.59p
2011	69.68p	56.20p	1.60p
2012 <sup>B</sup>	73.95p	68.18p	1.34p
<b>A-Class Income GBP Hedged Shares<sup>C</sup></b>			
2010	65.35p	53.25p	1.15p
2011	70.66p	58.45p	1.62p
2012 <sup>B</sup>	74.07p	67.73p	1.34p
<b>B-Class Accumulation Shares<sup>D</sup></b>			
2011	104.8p	94.69p	-
2012 <sup>B</sup>	113.0p	103.5p	2.07p
<b>B-Class Income Shares<sup>E</sup></b>			
2009	112.3p	83.31p	2.12p
2010	131.0p	107.2p	3.11p
2011	137.0p	110.3p	3.18p
2012 <sup>B</sup>	145.8p	134.3p	2.66p
<b>C-Class Accumulation Shares<sup>F</sup></b>			
2011	102.2p	81.67p	0.68p
2012 <sup>B</sup>	110.3p	101.0p	2.03p
<b>C-Class Income Shares<sup>G</sup></b>			
2009	113.3p	83.86p	2.20p
2010	132.6p	108.2p	3.17p
2011	139.0p	111.7p	3.25p
2012 <sup>B</sup>	148.1p	136.3p	2.73p

<sup>A</sup> A-Class Accumulation and A-Class Income Shares were launched on 15 December 2008.

<sup>B</sup> To 31 July 2012.

<sup>C</sup> A-Class Income GBP Hedged Shares were launched on 1 February 2010.

<sup>D</sup> B-Class Accumulation Shares were launched on 31 October 2011.

<sup>E</sup> B-Class Income Shares were launched on 3 February 2009.

<sup>F</sup> C-Class Accumulation Shares were launched on 11 July 2011.

<sup>G</sup> C-Class Income Shares were launched on 15 January 2009.

## Portfolio turnover rate

31.01.12	72.2%
31.07.12	33.4%

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.

## Net asset values and Ongoing charges

Date	Net asset value per share class £'000	Number of shares	Net asset value per share	Ongoing charges
<b>A-Class Accumulation Shares</b>				
31.01.10	1,159	2,056,371	56.37p	1.66%
31.01.11	3,635	5,360,955	67.80p	1.68%
31.01.12	25,917	34,480,452	75.16p	1.68%
31.07.12	81,938	101,776,032	80.51p	1.68%
<b>A-Class Income Shares</b>				
31.01.10	64,788	118,338,328	54.75p	1.68%
31.01.11	138,001	214,976,757	64.19p	1.68%
31.01.12	234,325	337,430,121	69.44p	1.68%
31.07.12	318,062	432,964,709	73.46p	1.68%
<b>A-Class Income GBP Hedged Shares</b>				
31.01.11	8,604	13,304,209	64.67p	1.68%
31.01.12	30,155	43,398,046	69.49p	1.68%
31.07.12	43,816	60,002,678	73.02p	1.68%
<b>B-Class Accumulation Shares</b>				
31.01.12	325	308,621	105.2p	1.15%
31.07.12	1,053	931,943	113.0p	1.15%
<b>B-Class Income Shares</b>				
31.01.10	1,761	1,651,280	106.7p	1.15%
31.01.11	4,103	3,265,884	125.7p	1.15%
31.01.12	10,929	8,000,199	136.6p	1.15%
31.07.12	7,784	5,372,262	144.9p	1.15%
<b>C-Class Accumulation Shares</b>				
31.01.12	3,866	3,769,391	102.6p	0.87%
31.07.12	14,258	12,930,876	110.3p	0.87%
<b>C-Class Income Shares</b>				
31.01.10	21,773	20,228,038	107.6p	0.87%
31.01.11	100,605	79,130,495	127.1p	0.87%
31.01.12	199,202	143,751,880	138.6p	0.87%
31.07.12	371,920	252,741,651	147.2p	0.87%

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 and any fixed 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 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 31 July 2012

Investment	Holding	Market value £'000	Total net assets %
<b>Financials - 21.7% (21.3%)</b>			
<b>Banks - 8.1%</b>			
BB&T	353,680	7,148	0.9
Cullen Frost Bankers	219,640	7,765	0.9
M&T Bank	208,220	11,439	1.4
US Bancorp Delaware	372,470	8,010	0.9
Wells Fargo	1,556,160	33,683	4.0
<b>General financial - 5.5%</b>			
Ameriprise Financial	145,100	4,831	0.6
BlackRock 'A'	122,050	13,392	1.6
CME Group 'A'	294,600	9,827	1.2
T. Rowe Price	456,890	17,536	2.1
<b>Life insurance - 1.5%</b>			
Prudential Financial	417,810	12,938	1.5
<b>Nonlife insurance - 4.2%</b>			
Arthur J. Gallagher & Co	400,270	9,197	1.1
Cincinnati Financial	248,630	6,073	0.7
OneBeacon Insurance Group 'A'	273,691	2,195	0.3
The Travelers Companies	229,890	9,263	1.1
Validus	417,200	8,719	1.0
<b>Real estate - 2.4%</b>			
Alexandria Real Estate	92,300	4,267	0.5
National Health Investors	119,121	4,096	0.5
Simon Property Group	111,200	11,422	1.4
<b>Consumer goods - 13.1% (12.9%)</b>			
<b>Automobiles &amp; parts - 1.0%</b>			
Genuine Parts	125,040	5,127	0.6
Johnson Controls	202,390	3,190	0.4
<b>Beverages - 1.4%</b>			
Coca-Cola	228,970	11,840	1.4
<b>Food producers - 2.9%</b>			
Hershey	206,670	9,511	1.1
Kraft Foods 'A'	362,700	9,127	1.1
Smucker (J.M.)	115,970	5,711	0.7
<b>Household goods - 2.3%</b>			
Procter & Gamble	130,390	5,410	0.6
Snap-On	193,290	8,496	1.0
Tupperware Brands	179,860	6,130	0.7
<b>Personal goods - 2.1%</b>			
Coach	197,060	7,610	0.9
Nike 'B'	37,850	2,313	0.3
VF	74,910	7,177	0.9
<b>Tobacco - 3.4%</b>			
Lorrillard	205,620	16,734	2.0
Philip Morris International	206,430	12,003	1.4
<b>Health care - 11.2% (12.0%)</b>			
<b>Health care equipment &amp; services - 1.5%</b>			
Baxter International	192,490	7,234	0.9
Becton Dickinson & Co	100,940	4,904	0.6
<b>Pharmaceuticals &amp; biotechnology - 9.7%</b>			
Abbott Laboratories	196,610	8,348	1.0
Johnson & Johnson	330,040	14,609	1.7
Merck & Co	1,089,960	30,923	3.7
Pfizer	1,808,313	27,323	3.3

Investment	Holding	Market value £'000	Total net assets %
<b>Industrials - 10.2% (11.3%)</b>			
<b>Aerospace &amp; defence - 1.1%</b>			
United Technologies	189,560	9,060	1.1
<b>Construction &amp; materials - 0.4%</b>			
Watsco 'A'	74,270	3,206	0.4
<b>Electronics &amp; electrical equipment - 1.7%</b>			
Emerson Electric	339,840	10,385	1.2
Molex	285,490	4,576	0.5
<b>General industrials - 2.3%</b>			
3M	140,290	8,157	1.0
Greif 'A'	155,240	4,295	0.5
Honeywell International	174,300	6,487	0.8
<b>Industrial engineering - 0.5%</b>			
Paccar	165,260	4,260	0.5
<b>Industrial transportation - 1.6%</b>			
Norfolk Southern	174,480	8,251	1.0
United Parcel Service 'B'	105,600	5,130	0.6
<b>Support services - 2.6%</b>			
Accenture 'A'	205,740	7,921	0.9
Automatic Data Processing	185,670	6,786	0.8
Republic Services	427,630	7,786	0.9
<b>Consumer services - 10.2% (8.0%)</b>			
<b>General retailers - 5.5%</b>			
Home Depot	410,520	13,934	1.7
Limited Brands	405,660	12,391	1.5
Nordstrom	177,830	6,184	0.7
Tiffany & Co	128,350	4,680	0.6
TJX Companies	96,940	2,774	0.3
Williams-Sonoma	248,090	5,588	0.7
<b>Media - 2.1%</b>			
Time Warner	342,250	8,420	1.0
Time Warner Cable	162,810	8,823	1.1
<b>Travel &amp; leisure - 2.6%</b>			
Cinemark	352,280	5,226	0.6
Dunkin Brands	225,511	4,389	0.5
McDonald's	128,430	7,314	0.9
Yum Brands	111,570	4,723	0.6
<b>Oil &amp; gas - 9.3% (9.2%)</b>			
<b>Oil &amp; gas producers - 7.8%</b>			
Chevron	281,150	19,696	2.3
ConocoPhillips	543,470	19,012	2.3
ExxonMobil	283,910	15,842	1.9
Occidental Petroleum	199,030	11,324	1.3
<b>Oil equipment, services &amp; distribution - 1.5%</b>			
Kinder Morgan Delaware	220,940	5,046	0.6
Williams Companies	366,410	7,417	0.9
<b>Technology - 8.4% (6.4%)</b>			
<b>Software &amp; computer services - 2.0%</b>			
Microsoft	889,510	16,803	2.0
<b>Technology hardware &amp; equipment - 6.4%</b>			
Analog Devices	362,520	9,060	1.1
Apple	36,330	13,780	1.6
Intel	388,070	6,371	0.8
KLA-Tencor	239,820	7,822	0.9
Linear Technology	396,370	8,140	1.0
Xilinx	402,620	8,376	1.0
<b>Utilities - 7.2% (7.5%)</b>			
<b>Electricity - 3.5%</b>			
CMS Energy	519,050	8,210	1.0
Nextera Energy	168,290	7,662	0.9
Northeast Utilities	260,300	6,733	0.8
NV Energy	283,420	3,348	0.4
Southern Company	113,880	3,509	0.4
<b>Gas, water &amp; multiutilities - 3.7%</b>			
American Water Works	86,870	2,034	0.2
Duke Energy	1	-	-
ONEOK	339,640	9,814	1.2
Sempra Energy	316,200	14,285	1.7
Spectra Energy	272,770	5,363	0.6

## Portfolio statement – continued

As at 31 July 2012

Investment	Holding	Market value £'000	Total net assets %
<b>Telecommunications – 4.7% (4.4%)</b>			
<b>Fixed line telecommunications – 4.7%</b>			
AT&T	486,670	11,611	1.4
CenturyLink	185,100	4,881	0.6
Verizon Communications	801,140	22,949	2.7
<b>Basic materials – 4.3% (4.0%)</b>			
<b>Chemicals – 4.3%</b>			
Air Products & Chemicals	139,870	7,251	0.9
Du Pont de Nemours	407,370	12,898	1.5
PPG Industries	224,670	15,898	1.9
<b>Investment assets before share class level assets</b>		<b>841,402</b>	<b>100.3</b>
<b>Forward currency contracts A-Class Income</b>			
<b>GBP Hedged shares – 0.0% (0.1%)</b>			
Buy \$3,214,752 sell £2,069,215 dated 10/08/12		(20)	-
Buy \$20,336 sell £13,150 dated 10/09/12		-	-
Sell \$68,246,832 buy £43,805,326 dated 10/08/12		294	-
Sell \$2,264,854 buy £1,442,269 dated 10/08/12		(2)	-
Sell \$1,367,222 buy £871,057 dated 10/09/12		(1)	-
<b>Investment assets (including investment liabilities)</b>		<b>841,673</b>	<b>100.3</b>
<b>Net other liabilities</b>		<b>(2,842)</b>	<b>(0.3)</b>
<b>Net assets</b>		<b>838,831</b>	<b>100.0</b>

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

The comparative percentage figures in brackets are at 31 January 2012.

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

## Portfolio movements

For the six months ending 31 July 2012

	£'000		£'000
<b>Total of all purchases for the period</b>	<b>426,858</b>	<b>Total of all sales for the period</b>	<b>119,144</b>
<b>Major purchases</b>	<b>Cost</b>	<b>Major sales</b>	<b>Proceeds</b>
Wells Fargo	16,768	Lincare	8,719
Apple	13,005	Northern Trust	5,823
Merck & Co	12,630	American Express	5,111
Verizon Communications	11,082	Southern Company	5,010
Lorillard	10,474	Phillips	4,524
CME Group 'A'	10,375	Chubb	4,453
ConocoPhillips	9,909	Williams	4,399
Pfizer	9,363	Covidien	4,357
Arthur J. Gallagher & Co	9,058	IBM	3,997
Microsoft	9,041	People's United Financial	3,722
T. Rowe Price	8,177	Procter & Gamble	3,560
Prudential Financial	7,691	Cinemark	3,363
Limited Brands	7,188	Public Storage	3,354
Chevron	6,961	Gentex	3,080
Occidental Petroleum	6,944	Duke Energy	2,919
Du Pont de Nemours	6,927	National Health Investors	2,792
Coach	6,877	US Bancorp Delaware	2,626
BlackRock 'A'	6,844	Tupperware Brands	2,592
Sempra Energy	6,790	XI Group	2,592
Intel	6,628	Snap-On	2,412

# Financial statements

## Statement of total return

(Unaudited)

For the six months ending 31 July

	2012	2011
	£'000	£'000
Income		
Net capital gains	43,167	2,774
Revenue	10,480	4,866
Expenses	(4,449)	(2,161)
Net revenue before taxation	6,031	2,705
Taxation	(1,503)	(669)
Net revenue after taxation	4,528	2,036
<b>Total return before distributions</b>	<b>47,695</b>	<b>4,810</b>
Finance costs: Distributions	(8,481)	(3,939)
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>39,214</b>	<b>871</b>

## Statement of change in net assets attributable to shareholders

(Unaudited)

For the six months ending 31 July

	2012	2011
	£'000	£'000
<b>Opening net assets attributable to shareholders</b>	<b>504,719</b>	<b>254,948</b>
Amounts receivable on issue of shares	326,688	125,881
Amounts payable on cancellation of shares	(32,828)	(11,218)
	293,860	114,663
Change in net assets attributable to shareholders from investment activities (see above)	39,214	871
Retained distributions on accumulation shares	1,038	87
<b>Closing net assets attributable to shareholders</b>	<b>838,831</b>	<b>370,569</b>

As the comparatives in the above table are for the previous interim period, the net assets at the end of that period will not agree to the net assets at the start of the current period.

## Balance sheet

(Unaudited)

As at

	31 July 2012	31 January 2012
	£'000	£'000
<b>ASSETS</b>		
Investment assets	841,696	490,224
Debtors	14,990	10,810
Cash and bank balances	21,529	10,735
<b>Total other assets</b>	<b>36,519</b>	<b>21,545</b>
<b>Total assets</b>	<b>878,215</b>	<b>511,769</b>
<b>LIABILITIES</b>		
Investment liabilities	(23)	(10)
Creditors	(34,769)	(4,000)
Distribution payable on income shares	(4,592)	(3,040)
<b>Total other liabilities</b>	<b>(39,361)</b>	<b>(7,040)</b>
<b>Total liabilities</b>	<b>(39,384)</b>	<b>(7,050)</b>
<b>Net assets attributable to shareholders</b>	<b>838,831</b>	<b>504,719</b>

# JPM US Fund

## Investment objective and policy

To provide capital growth over the long term by investing primarily through a portfolio invested in the shares of US companies.

US companies are companies that are incorporated under the laws of, and have their registered office in, the US, or that derive the predominant part of their economic activity from the US, even if listed elsewhere.

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

## Risk profile

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

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

The single market in which the Fund primarily invests, in this case the US, may be subject to particular political and economic risks and, as a result, the Fund may be more volatile than more broadly diversified funds.

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

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

## Fund review

The six months under review were marred by continued concerns over the future of the European Currency Union and the prospects of a global economic slowdown. The Fund marginally underperformed its benchmark for the period. In the Fund, our stock selection in the consumer discretionary and information technology sectors added the most value to relative performance. Within the consumer discretionary sector, our exposure to Expedia proved beneficial. Regarding our performance in the information technology sector, our exposure to Apple added the most value.

In contrast, our stock selection in the consumer staples sector was disappointing. Within the sector, our food and beverage exposure hindered relative performance the most as shares of Archer-Daniels-Midland declined. Overall, our exposure to Freeport-McMoRan also weighed on relative performance, as shares of the copper producer declined on lower copper prices.

## Fund outlook

While the pace of the US expansion has slowed, we do not see a double-dip recession. However, policy uncertainty in both Europe and the US has capped equity valuations. Except for the more defensive utilities and telecom services sectors, price earnings multiples for the remainder of the US equity market are very attractive. The US elections and the potential fiscal cliff are certain to be sources of additional volatility. However, US corporations are healthy with ample firepower to increase investment once macro and policy headwinds subside. As with the European situation, any clarity towards a progressive outcome could be a powerful force in driving depressed equity valuations to higher levels.

## 12 month performance to 31 July

	2012	2011	2010	2009	2008
<b>JPM US</b>					
A-Class Acc	9.4%	16.8%	17.4%	-4.3%	-11.5%
<b>JPM US</b>					
I-Class Acc	10.5%	18.2%	18.2%	-3.3%	-10.6%
<b>JPM US</b>					
X-Class Inc	14.3%	18.8%	19.4%	-2.5%	-10.1%
Benchmark Index	14.0%	13.8%	20.1%	-4.8%	-9.1%

## Six month performance to 31 July 2012

<b>JPM US A-Class Acc</b>	<b>6.3%</b>
Benchmark Index	6.8%

## Fund statistics

Risk and Reward Profile	6
Fund size	£184.7m
Benchmark Index	S&P 500 Index (Net)
Fund charges	
A-Class	Initial 4.25%, Annual 1.50%
I-Class	Initial Nil, Annual 0.60%
X-Class	On application <sup>a</sup>

## Top ten holdings

	%
Apple	6.4
ExxonMobil	3.9
Pfizer	3.4
Chevron	3.2
Wells Fargo	3.0
IBM	3.0
Microsoft	2.8
Discover Financial Services	2.3
Raytheon	2.2
Amgen	2.2

## Sector breakdown

	%
Technology	17.7
Financials	14.4
Consumer services	12.0
Health care	11.3
Oil & gas	11.2
Industrials	11.0
Consumer goods	11.0
Telecommunications	3.5
Utilities	3.1
Basic materials	3.1
Futures	0.0
Net other assets	1.7

You should remember that past performance is not a guide to the future. The price of investments and the income from them may fall as well as rise and investors may not get back the full amount invested. For specific risks, including the risk and reward profile, please refer to the Key Investor Information Document (KIID).

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

Source: J.P. Morgan.

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

## Highest/lowest share price and distribution record

Calendar year	Highest share price	Lowest share price	Distribution per share (net)
<b>A-Class Accumulation Shares</b>			
2007	386.7p	326.7p	0.12p
2008	358.7p	254.0p	0.00p
2009	364.9p	248.4p	1.61p
2010	417.0p	336.5p	0.33p
2011	444.1p	346.6p	0.00p
2012 <sup>b</sup>	457.9p	409.4p	0.00p
<b>A-Class Income Shares<sup>c</sup></b>			
2007	52.31p	45.64p	-
2008	50.10p	35.48p	0.00p
2009	50.65p	34.46p	0.26p
2010	57.80p	46.64p	0.07p
2011	61.55p	48.05p	0.00p
2012 <sup>b</sup>	63.47p	56.74p	0.00p
<b>I-Class Accumulation Shares<sup>d</sup></b>			
2007	110.0p	93.37p	0.01p
2008	102.6p	73.25p	1.03p
2009	106.6p	71.92p	1.36p
2010	122.7p	98.65p	0.74p
2011	131.4p	102.7p	1.08p
2012 <sup>b</sup>	136.5p	121.8p	1.23p
<b>X-Class Income Shares<sup>d</sup></b>			
2007	106.4p	90.59p	0.00p
2008	99.58p	70.70p	0.94p
2009	101.9p	68.43p	1.64p
2010	116.5p	93.51p	1.17p
2011	123.4p	96.51p	1.59p
2012 <sup>b</sup>	126.7p	114.7p	1.77p

<sup>a</sup> To 31 July 2012.

<sup>c</sup> A-Class Income Shares were launched on 1 September 2007.

<sup>d</sup> I-Class Accumulation and X-Class Income Shares were launched on 2 January 2007.

## Portfolio turnover rate

31.01.12	172.0%
31.07.12	26.9%

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

## Net asset values and Ongoing charges

Date	Net asset value per share class £'000	Number of shares	Net asset value per share	Ongoing charges
<b>A-Class Accumulation Shares</b>				
31.01.10	164,884	48,171,126	342.3p	1.67%
31.01.11	155,158	38,054,157	407.7p	1.68%
31.01.12	162,146	38,005,166	426.6p	1.68%
31.07.12	171,867	37,906,463	453.4p	1.68%
<b>A-Class Income Shares</b>				
31.01.10 <sup>e</sup>	1,386	2,921,275	47.44p	1.66%
31.01.11 <sup>e</sup>	2,939	5,201,771	56.51p	1.68%
31.01.12 <sup>e</sup>	3,707	6,269,244	59.13p	1.68%
31.07.12	3,419	5,439,033	62.86p	1.68%
<b>I-Class Accumulation Shares</b>				
31.01.10	10,317	10,349,229	99.69p	0.60%
31.01.11	6,960	5,796,288	120.1p	0.60%
31.01.12	6,167	4,856,128	127.0p	0.60%
31.07.12	6,247	4,603,792	135.7p	0.60%
<b>X-Class Income Shares</b>				
31.01.10 <sup>e</sup>	6,392	6,784,060	94.22p	0.06%
31.01.11 <sup>e</sup>	2,841	2,525,379	112.5p	0.06%
31.01.12 <sup>e</sup>	3,183	2,701,042	117.8p	0.06%
31.07.12	3,208	2,541,295	126.3p	0.06%

<sup>e</sup> The net asset value and the net asset value per income share are shown ex-dividend at the financial year end.

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 and any fixed 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 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 31 July 2012

Investment	Holding	Market value £'000	Total net assets %
<b>Technology - 17.7% (17.8%)</b>			
<b>Software &amp; computer services - 7.5%</b>			
AOL	17,100	343	0.2
IAC Interactive	48,900	1,660	0.9
IBM	43,700	5,478	3.0
Microsoft	275,800	5,210	2.8
Symantec	118,900	1,171	0.6
<b>Technology hardware &amp; equipment - 10.2%</b>			
Altera	114,200	2,562	1.4
Apple	31,400	11,910	6.4
Broadcom 'A'	45,500	980	0.5
Brocade Communications Systems	131,500	414	0.2
Diebold	59,500	1,253	0.7
Freescale Semiconductor	69,100	452	0.2
Lam Research	23,800	519	0.3
Qualcomm	13,500	509	0.3
Texas Instruments	17,200	298	0.2
<b>Financials - 14.4% (14.7%)</b>			
<b>Banks - 5.5%</b>			
Citigroup	173,370	2,999	1.6
PNC Financial Services Group	44,300	1,690	0.9
Wells Fargo	254,000	5,498	3.0
<b>General financial - 4.1%</b>			
Ameriprise Financial	49,900	1,661	0.9
Discover Financial Services	184,900	4,300	2.3
Goldman Sachs Group	15,000	964	0.5
SLM	35,000	358	0.2
Visa 'A'	5,300	442	0.2
<b>Life insurance - 1.1%</b>			
Assurant	24,900	574	0.3
Metlife	78,500	1,534	0.8
<b>Nonlife insurance - 2.0%</b>			
ACE	11,500	539	0.3
Allied World Assurance	30,000	1,452	0.8
Everest Re Group	22,100	1,471	0.8
Validus	8,500	178	0.1
<b>Real estate - 1.7%</b>			
Extra Space Storage	50,300	1,028	0.6
Hospitality Properties	11,700	181	0.1
Host Hotels & Resorts	65,000	606	0.3
Prologis	18,700	385	0.2
Ventas	20,600	884	0.5
<b>Consumer services - 12.0% (11.3%)</b>			
<b>Food &amp; drug retailers - 1.3%</b>			
CVS Caremark	39,300	1,135	0.6
Kroger	63,100	882	0.5
Mckesson	6,000	347	0.2
<b>General retailers - 4.8%</b>			
Home Depot	65,600	2,227	1.2
Macy's	151,950	3,551	1.9
Wal-Mart Stores	56,500	2,700	1.5
Weight Watchers International	11,400	364	0.2
<b>Media - 2.6%</b>			
CBS 'B'	59,500	1,272	0.7
Gannett	145,400	1,314	0.7
Time Warner Cable	7,300	396	0.2
Viacom 'B' Non-Voting	59,000	1,756	1.0
<b>Travel &amp; leisure - 3.3%</b>			
Alaska Air	36,900	822	0.4
Bally Technologies	11,700	329	0.2
Brinker International	66,900	1,385	0.7
Delta Air Lines	23,900	144	0.1
Expedia	50,800	1,818	1.0
Wyndham Worldwide	48,800	1,644	0.9

Investment	Holding	Market value £'000	Total net assets %
<b>Health care - 11.3% (11.2%)</b>			
<b>Health care equipment &amp; services - 3.4%</b>			
Covidien	60,900	2,173	1.2
Humana	13,100	589	0.3
UnitedHealth Group	57,900	1,966	1.1
Wellpoint	43,400	1,527	0.8
<b>Pharmaceuticals &amp; biotechnology - 7.9%</b>			
Amgen	74,900	3,985	2.2
Gilead Sciences	29,700	1,053	0.6
Merck & Co	41,800	1,186	0.6
Pfizer	416,900	6,299	3.4
Vertex Pharmaceutical	26,100	830	0.4
Warner Chilcott	115,000	1,262	0.7
<b>Oil &amp; gas - 11.2% (11.6%)</b>			
<b>Oil &amp; gas producers - 11.1%</b>			
Chevron	83,300	5,836	3.2
ConocoPhillips	43,100	1,508	0.8
Energy XXI (Bermuda)	22,200	462	0.3
ExxonMobil	130,546	7,284	3.9
Marathon Oil	157,300	2,698	1.5
Marathon Petroleum	16,000	484	0.3
Occidental Petroleum	20,800	1,183	0.6
Phillips	21,450	515	0.3
Western Refining	24,200	359	0.2
<b>Oil equipment, services &amp; distribution - 0.1%</b>			
National Oilwell Varco	2,600	123	0.1
<b>Industrials - 11.0% (10.3%)</b>			
<b>Aerospace &amp; defence - 2.9%</b>			
Huntington Ingalls Industries	55,200	1,370	0.7
Raytheon	114,900	4,067	2.2
<b>Electronics &amp; electrical equipment - 0.2%</b>			
Vishay Intertech	68,100	379	0.2
<b>General industrials - 2.9%</b>			
Honeywell International	79,600	2,963	1.6
Tyco International	71,900	2,466	1.3
<b>Industrial engineering - 2.0%</b>			
Ingersoll-Rand	56,800	1,530	0.8
Parker-Hannifin	44,100	2,269	1.2
<b>Industrial transportation - 0.9%</b>			
Norfolk Southern	25,500	1,206	0.7
Union Pacific	4,700	369	0.2
<b>Support services - 2.1%</b>			
Alliance Data System	10,700	899	0.5
Lender Processing Services	93,200	1,447	0.8
R.R. Donnelley & Sons	185,500	1,418	0.8
<b>Consumer goods - 11.0% (10.6%)</b>			
<b>Automobiles &amp; parts - 0.9%</b>			
Ford Motor	272,800	1,583	0.9
<b>Beverages - 0.8%</b>			
Constellation Brands 'A'	81,700	1,491	0.8
<b>Food producers - 4.0%</b>			
Archer-Daniels-Midland	152,400	2,671	1.4
Bunge	16,500	699	0.4
Campbell Soup	42,800	908	0.5
ConAgra Foods	37,900	598	0.3
Monsanto	26,500	1,468	0.8
Tyson Foods 'A'	114,400	1,087	0.6
<b>Household goods - 1.7%</b>			
Energizer	26,300	1,311	0.7
Jarden	49,800	1,427	0.8
Lennar	11,800	222	0.1
Toll Brothers	11,500	220	0.1
<b>Personal goods - 1.6%</b>			
Kimberly-Clark	52,700	2,953	1.6
<b>Tobacco - 2.0%</b>			
Lorrillard	10,600	863	0.5
Philip Morris International	47,600	2,768	1.5

## Portfolio statement – continued

As at 31 July 2012

Investment	Holding	Market value £'000	Total net assets %
<b>Telecommunications – 3.5% (3.1%)</b>			
<b>Fixed line telecommunications – 3.5%</b>			
AT&T	52,800	1,260	0.7
CenturyLink	112,235	2,960	1.6
Verizon Communications	74,600	2,137	1.2
<b>Utilities – 3.1% (3.3%)</b>			
<b>Electricity – 2.2%</b>			
AES	174,300	1,345	0.7
American Electric Power	48,200	1,308	0.7
Consolidated Edison	9,400	389	0.2
Nextera Energy	26,100	1,188	0.6
<b>Gas, water &amp; multiutilities – 0.9%</b>			
Ameren	5,900	130	0.1
Sempra Energy	33,700	1,522	0.8
<b>Basic materials – 3.1% (3.6%)</b>			
<b>Chemicals – 2.1%</b>			
CF Industries	13,900	1,750	0.9
LyondellBasell Industries	26,600	756	0.4
PPG Industries	19,700	1,394	0.8
<b>Industrial metals – 1.0%</b>			
Freeport-McMoRan Copper & Gold	86,000	1,864	1.0
<b>Futures – 0.0% (0.0%)</b>			
S&P 500 E-Mini Futures Sep 2012	51	42	-
<b>Investment assets (including investment liabilities)</b>		<b>181,608</b>	<b>98.3</b>
<b>Net other assets</b>		<b>3,133</b>	<b>1.7</b>
<b>Net assets</b>		<b>184,741</b>	<b>100.0</b>

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

The comparative percentage figures in brackets are at 31 January 2012.

## Portfolio movements

For the six months ending 31 July 2012

	£'000		£'000
<b>Total of all purchases for the period</b>	<b>85,410</b>	<b>Total of all sales for the period</b>	<b>85,811</b>
<b>Major purchases</b>	<b>Cost</b>	<b>Major sales</b>	<b>Proceeds</b>
Discover Financial Services	4,204	General Dynamics	4,039
Raytheon	4,117	Capital One Financial	3,944
Archer-Daniels-Midland	3,290	Apple	3,141
Chevron	3,255	National Oilwell Varco	2,483
Altera	2,586	Cisco Systems	2,039
Apple	2,572	Bank of America	2,021
Wells Fargo	2,396	Caterpillar	1,965
Home Depot	2,238	Sempra Energy	1,795
Wellpoint	2,082	Xilinx	1,793
Parker-Hannifin	1,979	BMC Software	1,751
Macy's	1,758	Baker Hughes	1,658
Ingersoll-Rand	1,601	Qualcomm	1,627
Expedia	1,595	Prudential Financial	1,464
BMC Software	1,562	Tyco International	1,457
Everest Re Group	1,525	VF	1,409
Huntington Ingalls Industries	1,516	Fifth Third Bancorp	1,401
Goldman Sachs Group	1,509	Dun & Bradstreet (Delaware)	1,401
Lender Processing Services	1,497	Endo Pharmaceutical	1,326
Diebold	1,480	Autozone	1,303
R.R. Donnelley & Sons	1,463	Covidien	1,294

# Financial statements

## Statement of total return

(Unaudited)

For the six months ending 31 July

	2012	2011
£'000	£'000	£'000
Income		
Net capital gains	11,458	3,388
Revenue	1,784	1,398
Expenses	(1,475)	(1,318)
Net revenue before taxation	309	80
Taxation	(249)	(197)
Net expense after taxation	60	(117)
<b>Total return before distributions</b>	<b>11,518</b>	<b>3,271</b>
Finance costs: Distributions	7	-
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>11,525</b>	<b>3,271</b>

## Balance sheet

(Unaudited)

As at

	31 July 2012	31 January 2012
£'000	£'000	£'000
<b>ASSETS</b>		
Investment assets	181,608	170,759
Debtors	1,446	4,324
Cash and bank balances	2,097	2,631
<b>Total other assets</b>	<b>3,543</b>	<b>6,955</b>
<b>Total assets</b>	<b>185,151</b>	<b>177,714</b>
<b>LIABILITIES</b>		
Creditors	(410)	(2,463)
Distribution payable on income shares	-	(48)
<b>Total liabilities</b>	<b>(410)</b>	<b>(2,511)</b>
<b>Net assets attributable to shareholders</b>	<b>184,741</b>	<b>175,203</b>

## Statement of change in net assets attributable to shareholders

(Unaudited)

For the six months ending 31 July

	2012	2011
£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>	<b>175,203</b>	<b>167,898</b>
Amounts receivable on issue of shares	62,587	5,642
Amounts payable on cancellation of shares	(64,574)	(16,278)
	(1,987)	(10,636)
Change in net assets attributable to shareholders from investment activities (see above)	11,525	3,271
<b>Closing net assets attributable to shareholders</b>	<b>184,741</b>	<b>160,533</b>

As the comparatives in the above table are for the previous interim period, the net assets at the end of that period will not agree to the net assets at the start of the current period.

# JPM US Select Fund

## Investment objective and policy

To invest in a portfolio of North American securities. The current policy is to invest for capital growth without any distribution target.

North American securities are securities issued by companies that are incorporated under the laws of, and have their registered office in, North America, or that derive the predominant part of their economic activity from North America, even if listed elsewhere.

## Risk profile

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

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

The single market in which the Fund primarily invests, in this case the US, may be subject to particular political and economic risks and, as a result, the Fund may be more volatile than more broadly diversified funds.

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

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

## Fund review

The six months under review were marred by continued concerns over the future of the European Currency Union and the prospects of a global economic slowdown. The Fund underperformed its benchmark for the period as we experienced broad-based weakness driven by cyclical stock selection and underweight positions in defensive sectors. In particular, cyclical overweights in the industrial cyclical, autos & transportation and insurance sectors weighed on relative performance. We added selectively to positions within these sectors on weakness as the macro events have not changed our long-term conviction in these names. In addition, our underweights in the defensive sectors, such as REITs and consumer staples, also hurt performance. On a stock-specific basis, overweight positions in General Motors and Johnson Controls proved disappointing due to economic weakness in Europe.

In contrast, only three sectors meaningfully contributed to relative performance and these were the systems hardware, consumer cyclical and pharmaceuticals/medtech sectors. Some of our highest conviction names, Apple, Merck & Co and Biogen Idec, also fared well.

## Fund outlook

While the pace of the US expansion has slowed, we do not see a double-dip recession. However, policy uncertainty in both Europe and the US has capped equity valuations. Except for the more defensive utilities and telecom services sectors, price earnings multiples for the remainder of the US equity market are very attractive. The US elections and the potential fiscal cliff are certain to be sources of additional volatility. However, US corporations are healthy with ample firepower to increase investment once macro and policy headwinds subside. As with the European situation, any clarity towards a progressive outcome could be a powerful force in driving depressed equity valuations to higher levels.

## 12 month performance to 31 July

	2012	2011	2010	2009	2008
<b>JPM US Select A-Class Acc</b>	<b>8.4%</b>	<b>11.2%</b>	<b>19.4%</b>	<b>0.5%</b>	<b>-</b>
<b>JPM US Select C-Class Acc</b>	<b>9.3%</b>	<b>12.1%</b>	<b>20.4%</b>	<b>-</b>	<b>-</b>
<b>JPM US Select I-Class Acc</b>	<b>9.6%</b>	<b>12.4%</b>	<b>20.4%</b>	<b>1.4%</b>	<b>-10.4%</b>
<b>JPM US Select X-Class Inc</b>	<b>10.2%</b>	<b>13.0%</b>	<b>21.2%</b>	<b>1.9%</b>	<b>-10.0%</b>
<b>Benchmark Index</b>	<b>14.0%</b>	<b>13.8%</b>	<b>20.1%</b>	<b>-4.8%</b>	<b>-9.1%</b>

## Six month performance to 31 July 2012

<b>JPM US Select A-Class Acc</b>	<b>4.4%</b>
<b>Benchmark Index</b>	<b>6.8%</b>

## Fund statistics

<b>Risk and Reward Profile</b>	<b>6</b>
<b>Fund size</b>	<b>£108.9m</b>
<b>Benchmark Index</b>	<b>S&amp;P 500 Index (Net)</b>
<b>Fund charges</b>	
A-Class	<b>Initial 4.25%, Annual 1.50%</b>
C-Class	<b>Initial Nil, Annual 0.75%</b>
I-Class	<b>Initial Nil, Annual 0.60%</b>
X-Class	<b>On application<sup>a</sup></b>

## Top ten holdings

	%
Apple	5.3
Occidental Petroleum	2.9
Time Warner	2.9
Merck & Co	2.8
Wells Fargo	2.7
Microsoft	2.5
ExxonMobil	2.0
Schlumberger	1.8
United Technologies	1.8
Pfizer	1.7

You should remember that past performance is not a guide to the future. The price of investments and the income from them may fall as well as rise and investors may not get back the full amount invested. For specific risks, including the risk and reward profile, please refer to the Key Investor Information Document (KIID).

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

Source: J.P. Morgan.

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

## Sector breakdown

	%
Technology	17.5
Financials	14.9
Consumer services	12.5
Health care	12.3
Oil & gas	12.1
Consumer goods	12.1
Industrials	10.2
Basic materials	2.8
Telecommunications	2.5
Utilities	2.1
Net other assets	1.0

## Highest/lowest share price and distribution record

Calendar year	Highest share price	Lowest share price	Distribution per share (net)
<b>A-Class Accumulation Shares<sup>®</sup></b>			
2008	52.25p	38.08p	-
2009	56.71p	37.02p	0.19p
2010	64.97p	53.23p	0.21p
2011	66.50p	52.63p	0.00p
2012 <sup>c</sup>	69.63p	61.96p	0.02p
<b>A-Class Income Shares<sup>®</sup></b>			
2008	52.25p	38.08p	-
2009	56.38p	36.78p	0.19p
2010	64.35p	52.72p	0.22p
2011	65.87p	52.13p	0.00p
2012 <sup>c</sup>	68.95p	61.37p	0.02p
<b>C-Class Accumulation Shares<sup>®</sup></b>			
2009	135.6p	101.1p	-
2010	156.5p	127.7p	0.98p
2011	160.9p	127.5p	1.09p
2012 <sup>c</sup>	169.4p	150.5p	1.25p
<b>I-Class Accumulation Shares</b>			
2007	244.8p	212.4p	2.07p
2008	229.7p	165.8p	2.42p
2009	249.8p	161.6p	2.93p
2010	288.5p	235.2p	2.42p
2011	297.0p	235.4p	2.72p
2012 <sup>c</sup>	313.4p	278.2p	3.05p
<b>X-Class Income Shares</b>			
2007	236.2p	205.4p	2.93p
2008	222.3p	158.3p	3.29p
2009	235.4p	151.8p	3.60p
2010	269.4p	219.3p	3.01p
2011	274.1p	217.4p	3.87p
2012 <sup>c</sup>	285.7p	257.4p	4.19p

<sup>®</sup> A-Class Accumulation and A-Class Income Shares were launched on 28 April 2008.

<sup>c</sup> To 31 July 2012.

<sup>®</sup> C-Class Accumulation Shares were launched on 24 March 2009.

## Portfolio turnover rate

31.01.12	148.6%
31.07.12	57.3%

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

## Net asset values and Ongoing charges

Date	Net asset value per share class £'000	Number of shares	Net asset value per share	Ongoing charges
<b>A-Class Accumulation Shares</b>				
31.01.10	19,212	35,995,467	53.37p	1.68%
31.01.11	36,748	57,946,055	63.42p	1.68%
31.01.12	69,676	107,497,639	64.82p	1.67%
31.07.12	72,327	106,884,205	67.67p	1.68%
<b>A-Class Income Shares</b>				
31.01.10 <sup>£</sup>	63	118,556	52.85p	1.68%
31.01.11 <sup>£</sup>	1,341	2,135,761	62.81p	1.68%
31.01.12 <sup>£</sup>	2,547	3,969,047	64.18p	1.67%
31.07.12	2,865	4,275,781	67.00p	1.68%
<b>C-Class Accumulation Shares</b>				
31.01.10	14,833	11,621,789	127.6p	0.87%
31.01.11	25,858	16,909,624	152.9p	0.87%
31.01.12	31,825	20,200,179	157.5p	0.87%
31.07.12	29,384	17,792,899	165.1p	0.87%
<b>I-Class Accumulation Shares</b>				
31.01.10	2,703	1,151,910	234.7p	0.60%
31.01.11	1,433	508,162	282.0p	0.60%
31.01.12	1,249	428,808	291.2p	0.60%
31.07.12	1,296	423,862	305.7p	0.60%
<b>X-Class Income Shares</b>				
31.01.10 <sup>£</sup>	8,950	4,103,609	218.1p	0.06%
31.01.11 <sup>£</sup>	2,768	1,066,667	259.6p	0.06%
31.01.12 <sup>£</sup>	3,031	1,141,885	265.3p	0.06%
31.07.12	3,028	1,083,940	279.3p	0.06%

<sup>£</sup> The net asset value and the net asset value per income share are shown ex-dividend at the financial year end.

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 and any fixed 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 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 31 July 2012

Investment	Holding	Market value £'000	Total net assets %
<b>Technology - 17.5% (17.6%)</b>			
<b>Software &amp; computer services - 6.4%</b>			
Adobe Systems	10,260	203	0.2
Citrix Systems	3,660	171	0.2
Cognizant Technology Solutions	15,400	562	0.5
Google 'A'	3,715	1,498	1.4
Microsoft	142,414	2,690	2.5
Oracle	90,607	1,766	1.6
<b>Technology hardware &amp; equipment - 11.1%</b>			
Altera	34,810	781	0.7
Apple	15,207	5,768	5.3
Broadcom 'A'	12,900	278	0.3
Cisco Systems	129,230	1,308	1.2
EMC	17,840	299	0.3
Freescall Semiconductor	20,520	134	0.1
Hewlett Packard	27,190	316	0.3
Juniper Networks	10,760	120	0.1
Lam Research	47,367	1,033	0.9
Lexmark International 'A'	3,430	38	-
Marvell Technology Group	15,170	109	0.1
NetApp	11,310	234	0.2
Qualcomm	29,551	1,114	1.0
Sandisk	3,090	81	0.1
Texas Instruments	29,850	518	0.5
<b>Financials - 14.9% (14.1%)</b>			
<b>Banks - 4.9%</b>			
Bank of America	222,870	1,033	0.9
Citigroup	42,511	735	0.7
Huntington Bancshares	10,660	43	-
SunTrust Banks	20,400	306	0.3
US Bancorp Delaware	15,806	340	0.3
Wells Fargo	133,496	2,890	2.7
<b>General financial - 6.6%</b>			
American Express	12,740	473	0.4
Ameriprise Financial	20,930	697	0.6
Capital One Financial	9,130	331	0.3
CME Group 'A'	52,715	1,758	1.6
Goldman Sachs Group	20,264	1,303	1.2
Intercontinental Exchange	3,470	293	0.3
Invesco	43,390	615	0.6
MasterCard	1,450	408	0.4
Morgan Stanley	31,950	275	0.3
State Street	8,040	206	0.2
TD Ameritrade	41,766	427	0.4
Visa 'A'	4,350	363	0.3
<b>Life insurance - 1.9%</b>			
MetLife	85,300	1,667	1.5
Prudential Financial	15,670	485	0.4
<b>Nonlife insurance - 1.5%</b>			
ACE	23,350	1,095	1.0
Axis Capital	9,520	204	0.2
Everest Re Group	1,100	73	0.1
Hartford Financial Services Group	10,960	114	0.1
XI Group	7,920	106	0.1
<b>Consumer services - 12.5% (12.3%)</b>			
<b>Food &amp; drug retailers - 1.5%</b>			
AmerisourceBergen	12,700	312	0.3
Cardinal Health	27,293	753	0.7
McKesson	3,900	225	0.2
Walgreen	12,120	280	0.3
<b>General retailers - 4.0%</b>			
Amazon	7,550	1,137	1.0
Autozone	2,070	496	0.5
Home Depot	30,570	1,038	0.9
Kohl's	7,073	225	0.2
Lowe's	48,970	839	0.8
Target	17,290	684	0.6
<b>Media - 5.7%</b>			
CBS 'B'	24,490	524	0.5
Comcast 'A'	68,180	1,400	1.3
DirecTV	12,960	407	0.4
Dish Network 'A'	6,180	123	0.1
Time Warner	127,148	3,128	2.9
Time Warner Cable	9,710	526	0.5

Investment	Holding	Market value £'000	Total net assets %
<b>Travel &amp; leisure - 1.3%</b>			
Carnival	25,440	547	0.5
Expedia	6,300	225	0.2
Royal Caribbean Cruises	9,700	155	0.1
Yum Brands	14,080	596	0.5
<b>Health care - 12.3% (12.4%)</b>			
<b>Health care equipment &amp; services - 4.0%</b>			
Baxter International	15,130	569	0.5
CareFusion	27,580	430	0.4
Covidien	39,850	1,422	1.3
Humana	12,830	577	0.5
UnitedHealth Group	42,780	1,452	1.3
<b>Pharmaceuticals &amp; biotechnology - 8.3%</b>			
Abbott Laboratories	7,560	321	0.3
Biogen Idec	14,839	1,392	1.3
Celgene	10,816	478	0.4
Johnson & Johnson	35,630	1,577	1.4
Merck & Co	106,054	3,009	2.8
Mylan Laboratories	3,080	46	-
Pfizer	119,540	1,806	1.7
Vertex Pharmaceutical	13,040	415	0.4
<b>Oil &amp; gas - 12.1% (13.1%)</b>			
<b>Oil &amp; gas producers - 8.5%</b>			
Anadarko Petroleum	13,340	610	0.6
EOG Resources	26,300	1,669	1.5
ExxonMobil	38,044	2,123	2.0
Marathon Petroleum	9,120	276	0.3
Occidental Petroleum	55,455	3,155	2.9
Phillips	9,320	224	0.2
Pioneer Natural Resources	9,105	524	0.5
Southwestern Energy	11,060	242	0.2
Valero Energy	19,660	327	0.3
<b>Oil equipment, services &amp; distribution - 3.6%</b>			
Cameron International	7,440	245	0.2
EnSCO 'A'	17,480	624	0.6
Halliburton	11,700	250	0.2
Kinder Morgan Delaware	20,980	479	0.4
Schlumberger	43,343	2,005	1.8
Williams Companies	18,780	380	0.4
<b>Consumer goods - 12.1% (11.8%)</b>			
<b>Automobiles &amp; parts - 2.8%</b>			
General Motors	127,450	1,573	1.4
Johnson Controls	99,503	1,568	1.4
<b>Beverages - 2.0%</b>			
Coca-Cola	31,799	1,644	1.5
PepsiCo	11,200	519	0.5
<b>Food producers - 1.5%</b>			
Archer-Daniels-Midland	7,400	130	0.1
General Mills	20,444	505	0.5
Kraft Foods 'A'	40,650	1,023	0.9
<b>Household goods - 2.4%</b>			
Clorox	6,930	323	0.3
DR Horton	13,020	149	0.1
Lennar	7,410	140	0.1
NVR	670	332	0.3
Procter & Gamble	30,954	1,284	1.2
Pulte Group	37,700	279	0.3
Ryland Group	4,370	68	0.1
<b>Leisure goods - 0.0%</b>			
Zynga	26,800	51	-
<b>Personal goods - 1.8%</b>			
Coach	11,210	433	0.4
Colgate-Palmolive	7,580	519	0.5
Lululemon Athletica	4,550	173	0.2
VF	7,930	760	0.7
<b>Tobacco - 1.6%</b>			
Lorillard	710	58	0.1
Philip Morris International	27,430	1,595	1.5

## Portfolio statement – continued

As at 31 July 2012

Investment	Holding	Market value £'000	Total net assets %
<b>Industrials – 10.2% (9.6%)</b>			
<b>Aerospace &amp; defence – 1.8%</b>			
United Technologies	41,173	1,968	1.8
<b>Construction &amp; materials – 1.1%</b>			
Fluor	24,870	794	0.7
Masco	49,080	410	0.4
<b>Electronics &amp; electrical equipment – 1.2%</b>			
Emerson Electric	41,720	1,275	1.2
<b>General industrials – 2.2%</b>			
Honeywell International	33,580	1,250	1.1
Tyco International	35,600	1,221	1.1
<b>Industrial engineering – 1.3%</b>			
Paccar	43,911	1,132	1.0
SPX	9,220	363	0.3
<b>Industrial transportation – 2.0%</b>			
CSX	117,830	1,720	1.6
Union Pacific	4,860	382	0.4
<b>Support services – 0.6%</b>			
Genpact	5,440	61	0.1
Grainger (W.W.)	3,620	479	0.4
LinkedIn 'A'	1,750	116	0.1
<b>Basic materials – 2.8% (3.5%)</b>			
<b>Chemicals – 1.5%</b>			
Air Products & Chemicals	19,680	1,020	0.9
Du Pont de Nemours	12,950	410	0.4
Georgia Gulf Corporation	10,663	229	0.2
<b>Industrial metals – 0.3%</b>			
Alcoa	56,520	304	0.3
<b>Mining – 1.0%</b>			
Freeport-McMoRan Copper & Gold	35,326	766	0.7
Peabody Energy	14,870	200	0.2
Walter Energy	4,210	93	0.1
<b>Telecommunications – 2.5% (2.5%)</b>			
<b>Fixed line telecommunications – 2.5%</b>			
AT&T	49,041	1,170	1.1
Verizon Communications	55,340	1,585	1.4
<b>Utilities – 2.1% (2.5%)</b>			
<b>Electricity – 1.8%</b>			
FirstEnergy	12,390	402	0.4
Nextera Energy	11,474	522	0.5
PG&E	21,440	635	0.6
PPL	20,210	376	0.3
<b>Gas, water &amp; multiutilities – 0.3%</b>			
AGL Resources	2,910	75	0.1
Sempra Energy	5,730	259	0.2
<b>Investment assets</b>		<b>107,851</b>	<b>99.0</b>
<b>Net other assets</b>		<b>1,049</b>	<b>1.0</b>
<b>Net assets</b>		<b>108,900</b>	<b>100.0</b>

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

The comparative percentage figures in brackets are at 31 January 2012.

## Portfolio movements

For the six months ending 31 July 2012

	£'000		£'000
<b>Total of all purchases for the period</b>	<b>49,294</b>	<b>Total of all sales for the period</b>	<b>53,788</b>
<b>Major purchases</b>	<b>Cost</b>	<b>Major sales</b>	<b>Proceeds</b>
Occidental Petroleum	1,646	Apple	2,153
CME Group 'A'	1,454	Norfolk Southern	1,519
CSX	1,426	Chevron	1,445
Time Warner	1,311	Merck & Co	1,417
Philip Morris International	1,035	Cisco Systems	1,193
EOG Resources	1,017	Schlumberger	1,174
Johnson & Johnson	971	General Electric	1,144
Apple	922	ExxonMobil	1,114
Metlife	868	Procter & Gamble	996
Tyco International	810	Freeport-McMoRan Copper & Gold	961
Google 'A'	673	CVS Caremark	898
Johnson Controls	663	Williams Companies	854
Pioneer Natural Resources	651	Time Warner	843
Cisco Systems	613	Occidental Petroleum	827
Altera	594	Oracle	772
Lam Research	575	Kraft Foods 'A'	768
Walgreen	571	Xilinx	755
Baxter International	559	Du Pont de Nemours	737
ExxonMobil	556	Citigroup	705
Phillips	547	Yum Brands	683

# Financial statements

## Statement of total return

(Unaudited)

For the six months ending 31 July

	2012	2011
	£'000	£'000
Income		
Net capital gains/(losses)	4,819	(1,389)
Revenue	1,093	677
Expenses	(766)	(484)
Net revenue before taxation	327	193
Taxation	(151)	(95)
Net revenue after taxation	176	98
<b>Total return before distributions</b>	<b>4,995</b>	<b>(1,291)</b>
Finance costs: Distributions	(5)	9
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>4,990</b>	<b>(1,282)</b>

## Balance sheet

(Unaudited)

As at

	31 July 2012	31 January 2012
	£'000	£'000
<b>ASSETS</b>		
Investment assets	107,851	107,660
Debtors	2,402	1,462
Cash and bank balances	732	526
<b>Total other assets</b>	<b>3,134</b>	<b>1,988</b>
<b>Total assets</b>	<b>110,985</b>	<b>109,648</b>
<b>LIABILITIES</b>		
Creditors	(2,085)	(1,271)
Distribution payable on income shares	-	(49)
<b>Total liabilities</b>	<b>(2,085)</b>	<b>(1,320)</b>
<b>Net assets attributable to shareholders</b>	<b>108,900</b>	<b>108,328</b>

## Statement of change in net assets attributable to shareholders

(Unaudited)

For the six months ending 31 July

	2012	2011
	£'000	£'000
<b>Opening net assets attributable to shareholders</b>	<b>108,328</b>	<b>68,148</b>
Amounts receivable on issue of shares	19,563	16,282
Amounts payable on cancellation of shares	(23,981)	(949)
	(4,418)	15,333
Change in net assets attributable to shareholders from investment activities (see above)	4,990	(1,282)
<b>Closing net assets attributable to shareholders</b>	<b>108,900</b>	<b>82,199</b>

As the comparatives in the above table are for the previous interim period, the net assets at the end of that period will not agree to the net assets at the start of the current period.

# Aggregated Company financial statements

## Aggregated statement of total return

(Unaudited)

For the six months ending 31 July

	2012	2011
	£'000	£'000
Income		
Net capital losses	(550,515)	(151,955)
Revenue	132,954	123,906
Expenses	(59,579)	(67,757)
Performance fee	(20)	(79)
Net revenue before taxation	73,355	56,070
Taxation	(7,546)	(7,701)
Net revenue after taxation	65,809	48,369
<b>Total return before distributions</b>	<b>(484,706)</b>	<b>(103,586)</b>
Finance costs: Distributions	(52,366)	(41,609)
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>(537,072)</b>	<b>(145,195)</b>

## Aggregated statement of change in net assets attributable to shareholders

(Unaudited)

For the six months ending 31 July

	2012	2011
	£'000	£'000
<b>Opening net assets attributable to shareholders</b>	<b>8,576,396</b>	<b>9,227,826</b>
Amounts receivable on issue of shares	994,439	693,643
Amounts payable on cancellation of shares	(991,797)	(647,550)
	2,642	46,093
Change in net assets attributable to shareholders from investment activities (see above)	(537,072)	(145,195)
Retained distributions on accumulation shares	26,423	23,311
Stamp duty reserve tax	(178)	(465)
Unclaimed distributions	9	57
<b>Closing net assets attributable to shareholders</b>	<b>8,068,220</b>	<b>9,151,627</b>

As the comparatives in the above table are for the previous interim period, the net assets at the end of that period will not agree to the net assets at the start of the current period.

## Aggregated balance sheet

(Unaudited)

As at

	31 July 2012	31 January 2012
	£'000	£'000
<b>ASSETS</b>		
Investment assets	7,965,760	8,399,505
Debtors	131,590	101,266
Cash and bank balances	169,787	233,335
<b>Total other assets</b>	<b>301,377</b>	<b>334,601</b>
<b>Total assets</b>	<b>8,267,137</b>	<b>8,734,106</b>
<b>LIABILITIES</b>		
Investment liabilities	(10,790)	(30,649)
Creditors	(175,091)	(114,913)
Bank overdraft	(3)	(12)
Distribution payable on income shares	(13,033)	(12,136)
<b>Total other liabilities</b>	<b>(188,127)</b>	<b>(127,061)</b>
<b>Total liabilities</b>	<b>(198,917)</b>	<b>(157,710)</b>
<b>Net assets attributable to shareholders</b>	<b>8,068,220</b>	<b>8,576,396</b>

### Accounting policies

The interim financial statements of each of the sub-funds have been prepared in accordance with the Statement of Recommended Practice (SORP) for Authorised Funds issued by the Investment Management Association in October 2010. There is no longer a requirement to disclose the Portfolio turnover rate figure. However, this figure is still being disclosed to provide shareholders with additional information. Other accounting policies applied are consistent with those of the annual financial statements for the year ended 31 January 2012 and are described in those financial statements.

The Aggregated Financial Statements represent the summation of the financial statements for each of the sub-funds.

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 10 September 2012.



Mr D Watkins  
Director  
For and on behalf of JPMorgan Funds Limited  
10 September 2012



Ms T McDowall  
Director  
For and on behalf of JPMorgan Funds Limited  
10 September 2012

## 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](http://www.jpmorganassetmanagement.co.uk)