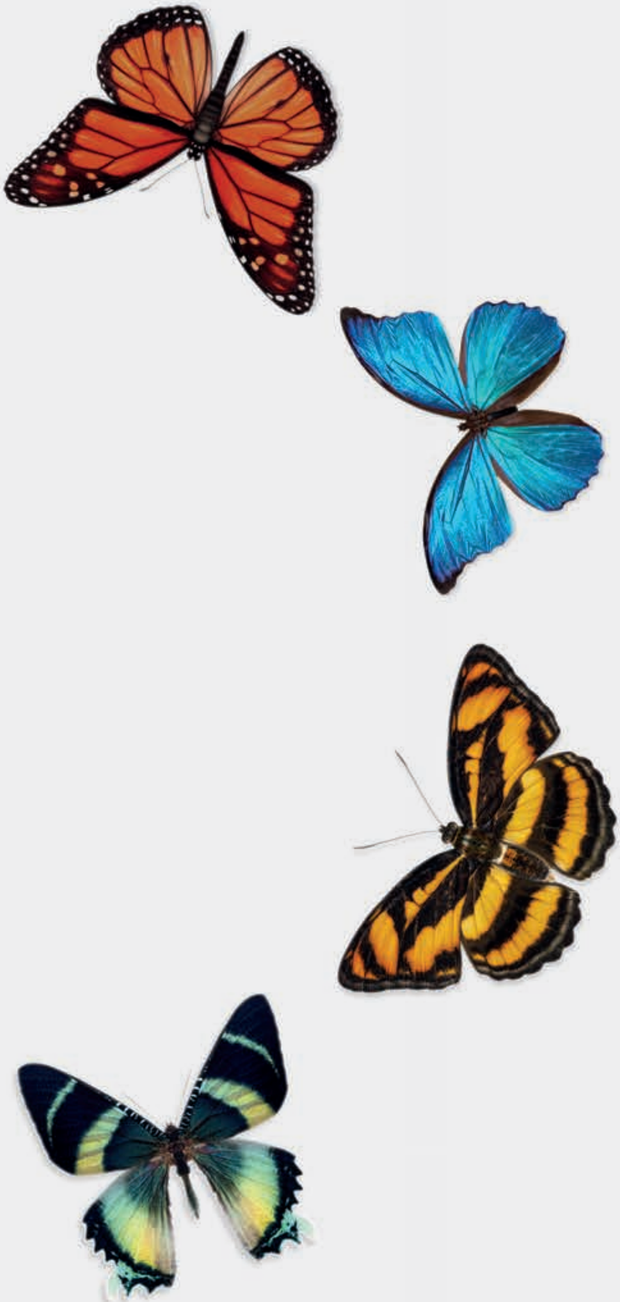
JPMorgan Global Convertibles Income Fund Limited

Annual Report & Financial Statements for the year ended 30th June 2018



J.P.Morgan
Asset Management

Your Company

The Company

The Company is a closed-ended investment company, incorporated and registered in Guernsey, whose shares are listed on the London Stock Exchange. It is a non-cellular company and has been declared by the Guernsey Financial Services Commission to be a registered closed-ended collective investment scheme. The assets of the Company are managed by JPMorgan Funds Limited ('JPMF' or the 'Manager'). The Manager has delegated the management of the portfolio to JPMorgan Asset Management (UK) Limited ('JPMAM').

Investment Objective

The Company aims to provide investors with a dividend income, combined with the potential for long term capital growth, from investing in a globally diversified portfolio of convertible securities.

Investment Policy

The Company invests in a globally diversified portfolio of convertible securities and other suitable instruments exhibiting convertible or exchangeable characteristics.

Diversification

The Company's portfolio is broadly diversified across sectors, geography and market capitalisations and, while there are no specific limits placed on exposure to any sector, country or market capitalisation, the portfolio is invested and managed in a manner consistent with spreading investment risk.

The Company has no restrictions with respect to the credit ratings of any issuer, or any securities, in which it may invest and the issuers of convertible securities may be located in any country, including emerging market countries.

The number of holdings usually exceeds 60 holdings. As at 30th June 2018 there were 75 holdings.

Asset Allocation

Investment exposure to convertible securities normally makes up the majority of total assets. The Company can invest in convertible bonds, convertible notes, convertible preference shares, convertible unsecured loan stock, synthetic convertible securities, equity and equity-linked securities, index and participation notes, equity-linked notes, corporate bonds, pre-IPO bonds, warrants and other instruments exhibiting convertible or exchangeable characteristics.

Pending investment or re-investment in convertible securities, the Company may hold cash on deposit or invest on a temporary basis in a range of high quality debt securities and cash equivalent instruments.

The Company may hold equity securities arising on the conversion or exchange of convertible securities, exercise of options and similar events but such equity securities are not held on a long-term basis.

Investment Restrictions and Guidelines

No exposure to any investee company, whether obtained through securities issued by that company or through instruments entered into with third parties which are referable to that company, will exceed 10% of gross asset value at the time of investment.

No exposure to any single counterparty, whether in its capacity as the issuer of convertible securities, as the counterparty to instruments which are referable to other companies, or as a banking counterparty (other than the custodian holding cash resources on behalf of the Company from time to time) will exceed 15% of gross asset value at the time of making the relevant investment or deposit.

The majority of the portfolio is invested in listed convertible securities or those subject to regulatory reporting requirements. Investments in convertible securities that are neither listed or subject to regulatory reporting requirements will not normally exceed 5% of gross asset value at the time of investment.

The Company may, from time to time, invest in synthetic convertible securities but such exposure is limited, in aggregate, to 15% of gross asset value at the time of investment.

The Company may invest in other investment funds, including listed closed-ended investment funds, to gain investment exposure to convertible securities but such exposure will be limited, in aggregate, to 10% of total assets at the time of investment.

The Company does not invest in closed-ended investment funds which may invest more than 15% of their total assets in other listed closed-ended investment funds (including investment trusts).

Gearing

The Company may employ gearing up to a maximum of 20% of net asset value at the time of borrowing. Gearing is used tactically to make investments consistent with the Company's investment objective and policy and for working capital purposes.

Derivatives

The Company may use derivatives (both long and short) for purposes of efficient portfolio management. Short positions are used to hedge the equity exposure of the portfolio. The Company also uses Treasury Bond futures to hedge duration. The Company does not enter into uncovered short positions.

Currency Hedging

The Company operates in sterling. The majority of the Company's assets are denominated in currencies other than sterling. Accordingly, the Company normally hedges the value of any non-sterling assets and the income derived from them into sterling using suitable hedging contracts.

Benchmark

The Company's benchmark is the Bloomberg Barclays Global Convertibles Credit/Rate Sensitive Index (hedged into sterling) for reference purposes but it is not benchmark-driven in its asset allocation.

Capital Structure

At 30th June 2018, there were 216,841,795 ordinary shares in issue, including 64,710,132 shares held in Treasury.

Continuation Vote

In accordance with the Company's articles of incorporation, the Directors are required to propose a resolution at the 2018 Annual General Meeting that the Company continues its business as a closed-ended collective investment scheme and at every third Annual General Meeting thereafter.

Management Company and Company Secretary

The Company employs JPMF as its Alternative Investment Fund Manager and Company Secretary.

Administrator

The Company employs J.P. Morgan Administration Services (Guernsey) Limited (the 'Administrator') as its administrator.

Association of Investment Companies ('AIC')

The Company is a member of the AIC.

Website

The Company's website, which can be found at www.jpmconvertiblesincome.co.uk, includes useful information on the Company, such as daily prices, factsheets and includes current and historic half year and annual reports.

Financial Conduct Authority ('FCA') regulation of 'non-mainstream pooled investments'

The Company currently conducts its affairs so that the shares issued by the Company can be recommended by Independent Financial Advisers to ordinary retail investors in accordance with the FCA's rules in relation to non-mainstream pooled investment products and intends to continue to do so for the foreseeable future.

The shares are excluded from the FCA's restrictions which apply to non-mainstream investment products because they are shares in an investment company, which if it were domiciled in the United Kingdom, would currently qualify as an investment trust.

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Strategic Report

TOTAL RETURNS (INCLUDING DIVIDENDS REINVESTED) TO 30TH JUNE

	2018	2017	3 Year Cumulative	5 Year Cumulative
Return to shareholders[1]	-0.6%	+19.1%	+7.2%	+14.5%
Return on net assets[2]	+1.1%	+9.2%	+10.4%	+25.0%
Ordinary dividend	4.5p	4.5p		

[1] Source: Morningstar.

[2] Source: Morningstar/J.P. Morgan, using cum income net asset value per share.

A glossary of terms and alternative performance measures is provided on pages 74 and 75.

SUMMARY OF RESULTS

	2018	2017	% change
Total returns for the year ended 30th June			
Return to shareholders[1]	-0.6%	+19.1%	
Return on net assets[2]	+1.1%	+9.2%	
Net asset value, share price and discount			
Shareholders' funds (£'000)	148,263	185,820	-20.2
Net asset value per share	97.5p	100.9p	-3.4
Shares in issue (excluding shares held in Treasury)[3]	152,131,663	184,191,791	-17.4
Share price	94.0p	99.0p	-5.1
Share price discount to net asset value per share	3.6%	1.9%	
Revenue for the year ended 30th June			
Net revenue profit attributable to shareholders (£'000)	6,477	8,421	-23.1
Revenue earning per share	3.81p	4.33p	-12.0
Dividend per share	4.50p	4.50p	
Gearing/(net cash)	1.2%	(0.4)%	
Ongoing Charges	1.00%	0.99%	

[1] Source: Morningstar.

[2] Source: Morningstar/J.P. Morgan, using cum income net asset value per share.

[3] Excluding 64,710,132 (2017: 32,650,004) shares held in Treasury.

A glossary of terms and alternative performance measures is provided on pages 74 and 75.

Simon Miller
Chairman

Dear shareholders

I am pleased to present the Company's annual report for the year ended 30th June 2018.

The review period again covered a number of significant market events, including ongoing trade conflicts, the sell-off in emerging markets currencies and oil prices reaching multi-year highs, with market volatility increasing from levels last seen in the mid-1960s.

Total return performance this year has been disappointing compared to 2017; however, the Company continues to pay an annual dividend of 4.5p per share and offer exposure to the global equity markets, whilst offering investors a degree of NAV stability. Looking forward, it is anticipated that interest rates will continue to rise, which historically has resulted in convertible bonds outperforming other fixed income investments. The Board therefore believes that convertible bonds remain an attractive investment proposition at the current time.

Investment Performance

The total return on the Company's net assets for the year to 30th June 2018 was +1.1%. This compares with the return of +1.4% from the Company's reference index, the Bloomberg Barclays Credit Sensitive Convertibles Index (hedged into sterling). The total return to shareholders was –0.6% reflecting a widening in the share price discount to net asset value over the year from 1.9% to 3.6%.

The main positive contributors to the portfolio's return over the year were the impact of rising equity prices on the value of convertible securities and coupon income from our convertible bond holdings. The main detractor was the sensitivity to interest rates.

The Board judges performance over the long term and over the three years to 30th June 2018; over the three year period the Company produced a net asset value ('NAV') total return of +10.4% and a return to shareholders of +7.2%; over the five years to 30th June 2018 the NAV return was +25.0% and the return to shareholders +14.5%. The difference between NAV total return and return to shareholders reflects the discount to NAV at which the shares have historically traded.

A more detailed analysis of performance is set out in the Investment Managers' Report on pages 8 to 10.

Dividends

When the Company was launched in 2013, it was the stated intention to pay a dividend of 4.5p per share in the first year, thereby attributing a yield of 4.5% on the issue price. In the absence of unforeseen circumstances, the Board seeks to maintain the annual targeted dividend of 4.5p, which is a yield of 4.8% on the year end share price. The maintenance of this target has required a small contribution from the Company's capital reserves. In seeking an attractive level of total shareholder return in excess of the dividend yield paid, the Board is content to use capital reserves periodically to support the stability of income to shareholders. We would hope that these reserves would be rebuilt from capital gains during other periods of the market cycle. Whilst there are signs of rising interest rates across much of the world, it still seems highly unlikely that interest rates will revert to historical norms for a considerable time. In such a low interest rate world, the Company's yield remains an attractive feature to a wide range of investors.

Three quarterly dividends totalling 3.375p per share have been declared and paid during the financial year.
On 12th September 2018, the Board declared a fourth quarterly dividend of 1.125p per share to be paid on 25th October 2018, bringing the total dividends paid in relation to the financial year ending 30th June 2018 to 4.5p.

Discount

In May 2017, the Board announced that it was concerned that, for a low-volatility asset class, the level of movement in the Company's share price had significantly increased the overall volatility of shareholder returns. Whilst the Company's discount had narrowed in the months prior to that announcement to approximately 5%, it was the Board's view that the Company's share price should, ideally, track the Company's net asset value ('NAV') more closely than it had done. Therefore, the Board introduced a revised discount control policy under which it intended to seek to ensure that the Company's share price remained close to NAV such that, under normal market conditions, the Company's shares traded within a range of a 2% discount to a 2% premium to the Company's cum income NAV per share. This would be achieved primarily through the use of share buybacks and/or share issuance as necessary.

In the period from the Board's announcement to 30th June 2018, the Company's shares traded in a range of –4.5% to +0.4% (premium), averaging 2.2%, and finishing the year at a discount of 3.6%, wider than the 1.9% discount at the previous year end.

During the year the Company bought back into treasury a total of 32,060,128 shares, representing 17.4% of the shares in issue (excluding shares held in treasury) at the start of the Company's financial year.

Since the year end, the Company has repurchased a further 20,441,906 shares. Notwithstanding the number of shares repurchased, the discount widened during this period as a result of the volume of shares sold, reaching 7.7 % in the middle of September 2018. Since that date the discount has narrowed, in part as a result of the Company continuing to buy back shares, and as a consequence of the selling pressure easing, and as at 10th October 2018 the shares were trading at a 5.2% discount to NAV.

In order to seek to ensure that there is continuity in the Company's ability to repurchase shares the Directors have brought forward the Annual General Meeting (the 'AGM') from a scheduled date of 4th December 2018 to 14th November 2018, when shareholders will be asked to renew the Company's buy back authority.

The buybacks undertaken during the year, and since the year end to 10th October 2018, have added approximately 1.1 pence per share for ongoing shareholders.

Continuation Vote and Outlook

At the AGM shareholders will be asked to consider a resolution that the Company continues its business as a closed-ended collective investment scheme (the '2018 Continuation Vote'). The Board believes that the approval of this resolution is in the best interests of the shareholders as a whole and therefore recommends that shareholders vote in favour of the resolution.

In coming to this recommendation the Directors have carefully reviewed and considered the outlook for the Company's asset class and the views of the Company's Investment Manager, which are set out in detail in the Investment Managers' Report, together with the Company's performance since launch and the experience and resources of JPMorgan Asset Management ('JPMAM'). The Board has also taken into account feedback received from a number of the Company's shareholders and the views of the Company's corporate broker.

The asset class offers access to an attractive level of income with the opportunity to benefit from further gains in global equity markets without taking undue risk at a time when equity markets are near all-time highs, interest rates are rising and credit spreads remain tight.

As noted above the Company targets, and since launch on 11th June 2013 has paid, a 4.5p per share annual dividend. It is the Directors' current intention that the Company will continue to target this level of dividend, representing a yield of around 5% on the current share price. Combined with the portfolio's defensive characteristics, the Board believes the Company offers shareholders a useful investment opportunity, differentiated from fixed income alternatives. Historically, when interest rates have risen, convertible bonds have more often than not outperformed other fixed income investments.

In addition, whilst there has been some downward pressure on the discount in recent months, the Board remains of the view that it is in shareholders' interests for the Company's share price to more closely track the Company's NAV, thereby reducing share price volatility. Accordingly, subject to market conditions (and renewal of the buyback authority at the AGM) the Company will continue to repurchase shares, when required.

The JPMAM convertible bond team has been managing convertibles since 1995; it has AUM of c. $6.2 billion and is one of the world-leading fund managers in the asset class. Hart Woodson has recently been appointed as Head of the Convertible Bond team. Mr Woodson has 25 years of experience as a portfolio manager of global convertible bond portfolios and funds, having previously served as a portfolio manager at both Advent Capital Management and Gabelli Asset Management. Prior to his portfolio management roles, he worked for more than a decade as a capital markets specialist and credit analyst, with ABN AMRO in Amsterdam and Meridian International Bank in New York.

The Company's portfolio will continue to be managed by the existing Investment Managers, Natalia Bucci and Paul Levene. However, as the Company draws on the investment insight and resources of both the broader JPMAM convertible bond team and wider multi-asset solutions investment resource, we anticipate that Mr Woodson's depth of knowledge and experience will be beneficial to the Company and are pleased that JPMAM has shown its commitment to, and enhanced its capabilities in, this asset class.

However, the Board recognises that there has been a significant level of buying back of the Company's shares over the course of the last 12 months and, therefore, subject to the passing of the 2018 Continuation Vote, will be putting a further continuation vote to shareholders at the Annual General Meeting to be held in 2019.

Annual General Meeting

The AGM will be held at JPMorgan's offices in Guernsey on 14th November 2018 at 11.00 a.m. All shareholders are encouraged to use their proxy votes.

If you have any detailed or technical questions, it would be helpful if you could raise them in advance with the Company Secretary at 60 Victoria Embankment, London EC4Y 0JP or via the 'Ask a Question' link on the Company's website.

Simon Miller
Chairman 12th October 2018

Natalia Bucci
Investment Manager

Paul Levene
Investment Manager

Performance Review

In the year to 30th June 2018, the Company's portfolio generated a positive net asset value ('NAV') total return of 1.1%. It was a year characterised by geopolitical events, oil reaching multi-year highs and some markets making all-time highs (e.g. tech and small cap stocks). More recently the focus has been on local funding issues for companies, from emerging markets to Italy, given higher interest rates and the selloff in emerging market currencies, and whether the ongoing trade conflicts with the US damages growth through sentiment and financial conditions.

As a result of the uncertainty, the market experienced a pick-up in volatility which had fallen to levels last seen in the mid-1960s. Nevertheless, the U.S. delivered bumper earnings, although Europe displayed mixed results. Energy together with tech delivered earnings growth significantly outperforming expectations. In contrast, the upturn in inflation and erosion of capacity in the labour market means that it is likely the US Federal Reserve will continue to increase interest rates; this expectation has led to a sell-off in bonds. However, rising bond yields were, and continue to be, impacted by the escalation of geopolitical and trade tensions, whilst economic data were mixed. We expect the sensitivity of US Treasury yields to inflation data to persist. Inevitably, rising government bond yields present a headwind to our returns but it is important to remember that the normalisation of bond yields will be positive to portfolio returns over the long term as we are able to reinvest in higher coupons in the future. In the meantime, convertibles are an attractive sector in which to weather the rise in rates.

Two reasons underpin this. Firstly, convertibles have the opportunity to benefit from rising equity prices, which typically accompany a strong economy. Indeed, the portfolio benefitted from supportive equity market performance during the year. Of particular note was the contribution from the U.S. and Asia ex-Japan. In terms of the Company's sector allocation, Energy and Basic Materials outperformed all other sectors.

Secondly, against the macro backdrop we think that equity volatility will be higher, which supports convertible valuations in the short term as the rise in equity volatility causes a rise in the option value embedded in convertible bonds. We maintain our belief that convertible bonds could perform well in the current reflationary environment. This is reflected in the fact that while over the year the interest rate sensitivity of our holdings detracted from performance, this was more than offset by the positive contributions from credit and most notably equity factors.

Portfolio Review

Throughout the year, the equity sensitivity of the portfolio has been increasing, whilst the proportion of high quality investment grade credit has grown. In contrast to the period that followed the market sell-off in credit-sensitive bonds in late 2015, the portfolio has shifted to the more balanced and equity bond-like part of the convertible universe. This reflected our view that going forward a larger portion of the return is expected to come from increases in the value of the issuers' share prices rather than exposure to credit. In general, our view on credit conditions and pricing is that they are nearing their peak.

As such, we believe we have entered a period where credit risk is becoming increasingly skewed to the downside. As a result, we took profit on credit exposures that we considered fairly valued or that did not have a clear catalyst for outperformance. By contrast, we were content to retain exposure to higher yielding positions where we felt that the actions being taken by the company to improve its credit profile would be validated.

As a result of the move away from being predominately invested in the bond-like part of the convertible universe, the Company's sensitivity to equity prices has increased. Therefore we have also taken profit on issuers whose performance was derived from strong underlying equity price movements and in some cases added to positions with higher t equity sensitivity where we viewed valuations as undemanding and hence attractive. These positions added value through the first half of the financial year, as equity markets continued moving higher, particularly in the U.S. and Asia ex. Japan.

The Company's largest regional exposure is to the U.S. where equities have remained resilient amidst rising geopolitical and trade risks. The S&P500 has performed well on the back of strong earnings, upbeat guidance and accelerating investment activity, including buybacks, dividend growth and mergers and acquisitions. Moreover, the gap between the value of announced and executed buybacks has grown over the last few years with the divergence most pronounced in the Financial, Communication and Technology sectors. These sectors combined represent more than half the portfolio holdings. Thus, we believe that the strong earnings delivery and upbeat guidance should provide support for U.S. equity valuations at the very least and we take comfort in our U.S. exposure.

We continued to seek exposure to the Technology and Communications ('TMT') sectors (including internet) during the year as the various subsectors provided us with an attractive range of opportunities. For instance, the internet sector boasts a number of companies with strong, cash-rich balance sheets and exciting long-term prospects. In certain cases, our high conviction view has led us to opt for more equity-sensitive instruments, for example the Alibaba mandatory convertible. Elsewhere, we remain exposed to more mature, stable or declining subsectors such as Pay-TV to benefit from the higher yielding securities.

The Company's largest sector exposure is to the Financial (ex. Real estate) sector, while exposure to Industrials fell the most compared to all other sectors. The rationale for this continued preference is that Financials tend to be less sensitive to global trade and do not have such stretched valuations in general. The Financial exposure also includes business development companies that combine a high quality portfolio, well-regarded management and exposure to U.S. middle market companies that, in our view, will benefit from an expanding U.S. economy. By way of contrast, some of our holdings within the industrial space were expensive, sensitive to a rollover in global economic momentum and had significantly outperformed over the last few years.

During the year within the Financial (Real Estate) sector we continued a shift away from U.S. real estate exposure, adding short dated China and Singapore property names with positive yields and more balanced profiles. We prefer to remain holders of shorter dated China property risk here as if there is no improvement in the onshore refinancing environment we would expect supply to come to the off-shore U.S. Dollar market, resulting in spread widening. At such a time we would assess the attractiveness of longer dated China property names and potentially look to add. Unlike U.S. real estate during the period, China real estate investment demonstrated strong growth, although in the latter half of year valuations were under pressure as a result of trade tensions and emerging market weakness.

The standout performer of the portfolio was the Energy sector. The positioning reflected our bullish stance on crude oil throughout the year, as we anticipated a continuation of higher prices due to unprecedented compliance of the OPEC members to their oil supply agreement, and above trend oil demand. To us, geopolitical risk seemed particularly pronounced given U.S. sanctions against Venezuela and Iran. Accordingly, throughout the year we continued to hold our energy positions and in some cases have extended the duration, resulting in energy being the best performing sector over the year.

In the last financial year we added a small position in Asset Swapped Convertible Option Transactions ('ASCOTs') to the portfolio, which provides exposure to the Japanese equity market. ASCOTs are long-tenor options on convertible bonds and are designed to provide asymmetrical equity exposure. At the portfolio level, the market value of the ASCOTs as at 30th June 2018 represented c. 1% of the portfolio., Throughout the year, domestic and foreign investors have displayed a low risk appetite towards the Japanese equity market resulting in a reduction in the value of these options. Furthermore, concerns around decreased levels of bond purchases by the Bank of Japan and its exit policy from the purchase programme has added to investor caution in the region. However, we remain comfortable with the level of exposure to Japan, also considering the long tenor of these instruments, and believe that corporate governance improvement and attractive equity valuations should benefit the Japanese market in the longer term.

The level of gearing has remained limited over the financial year, reflecting our general caution on current valuations across most asset classes. However, we considered it optimal to roll the facility in order to ensure that the Company would have the capacity to increase exposure if a correction were to present us with more attractive investment opportunities, albeit remaining within the Company's gearing limit of 20%.

Outlook

We believe global growth is set to remain above trend, but changes to U.S. trade policy and the impact of higher U.S. rates have increased the risks to our outlook. We retain our pro-risk tilt given the equity sensitivity of the portfolio, anticipating an economic and earnings environment consistent with equity outperformance. U.S. real yields are now positive for most maturities and we expect U.S. interest rates to continue steadily to increase over coming quarters. However, we believe that monetary policy will remain accommodative and supportive for risky assets into next year.

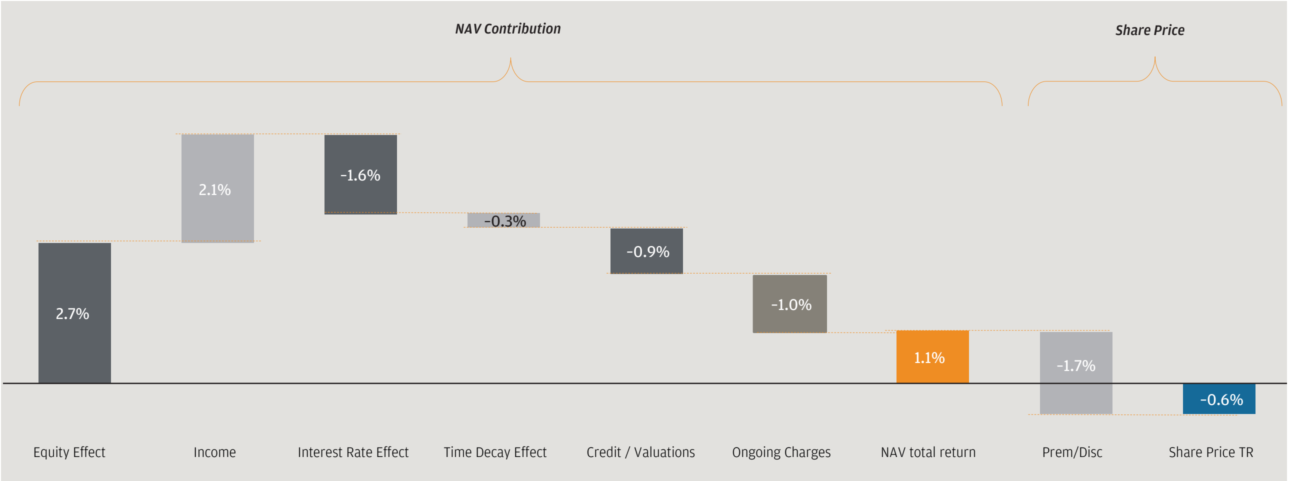
We believe that the Company is well placed to continue differentiating itself from fixed income alternatives in an environment that we anticipate will have higher interest rates and geopolitical headline risk. Nevertheless, with high equity valuations and credit spreads at historic tights, we consider it pragmatic to retain our somewhat conservative positioning. What makes convertibles especially attractive today is their historical performance during periods of rising interest rates. When interest rates have risen, convertible bonds have tended to outperform other fixed income investments, as they are less sensitive to interest rate movements compared to traditional fixed income investments.

The portfolio's exposures remain generally short-dated with an average price below par value. Combined with an attractive portfolio yield of 4.7% (as at 30th September 2018), we believe that the Company remains positioned to participate in further equity or credit market upside while retaining its defensive characteristics.

Paul Levene
Natalia Bucci
Investment Managers 12th October 2018

NAV AND SHARE PRICE PERFORMANCE: ESTIMATED CONTRIBUTION

YEAR TO DATE – CONTRIBUTION BY PERFORMANCE FACTORS – 1ST JULY 2017 TO JUNE 30TH 2018



Source: J.P. Morgan Asset Management.

These estimated sub-category returns have been calculated using an internal JPMAM analytical model and should be considered indicative only. The factors comprising net asset return are:

Equity Effect = impact of underlying equity performance; impact of changes in the price of issuing entity's equity on the valuation of the convertible.

Income Effect = coupon income; the cash received when underlying convertibles make their regular payments to investors.

Interest Rate Effect = impact of changes in the risk-free rate of interest on the valuation of the convertible.

Time Decay Effect = a combination of the decline in the value of the embedded option in convertible securities with the passing of time and the accrual to maturity of the bond.

Credit Valuations = impact of changes in credit spreads on the price of convertible (the credit spread is the difference between the bond's value and a Treasury security that is equivalent in all respects except for credit quality) and residual effects including the costs incurred in the issuance or buyback of shares.

SECTOR

	2018 Portfolio %[1]	2017 Portfolio %[1]
Real Estate	17.9	18.3
Banks	12.7	7.7
Energy	12.5	13.1
Diversified Financials	10.5	8.7
Software & Services	6.5	8.8
Transportation	6.1	6.0
Materials	4.9	7.3
Health Care Equipment & Services	4.6	3.7
Semiconductors & Semiconductor Equipment	4.5	2.8
Retailing	3.8	3.5
Telecommunication Services	3.3	1.8
Technology Hardware & Equipment	3.1	6.4
Capital Goods	2.4	8.8
Media	2.4	–
Pharmaceuticals Biotech & Life Sciences	1.9	0.7
Consumer Durables & Apparel	1.1	–
Utilities	0.9	1.8
Food Beverage & Tobacco	0.9	–
Consumer Services	–	0.6
Total	**100.0**	**100.0**

[1] Based on total investments of £150.0m (2017: £185.0m).

GEOGRAPHIC

	North America %	Developed Asia %	Europe %	United Kingdom %	Africa %	Australia %	2018 Total %[1]
Convertibles	37.4	22.7	12.2	11.6	1.7	1.4	87.0
Preference	11.0	0.7	–	–	–	–	11.7
Bonds	1.2	–	–	–	–	–	1.2
Warrants	–	–	–	0.1	–	–	0.1
Total	**49.6**	**23.4**	**12.2**	**11.7**	**1.7**	**1.4**	**100.0**

	North America %	Developed Asia %	Europe %	United Kingdom %	Africa %	Australia %	2017 Total %[1]
Convertibles	36.8	18.9	16.1	14.3	2.8	0.9	89.8
Bonds	2.8	–	0.2	1.5	–	–	4.5
Preference	5.7	–	–	–	–	–	5.7
Total	**45.3**	**18.9**	**16.3**	**15.8**	**2.8**	**0.9**	**100.0**

[1] Based on total investments of £150.0m (2017: £185.0m).

PORTFOLIO DISCLOSURE AT 30TH JUNE 2018

No.	Investment	Holding as a percentage of portfolio	Region	Country	Currency	Sector	Rating
1	Aabar Investments 0.50% 27/03/2020	2.5%	Europe	Italy	EUR	Banks	NR
2	Ensco Jersey Finance 3.00% 31/01/2024	2.5%	America	United States	USD	Energy	BB-
3	Shanghai Port Group BVI Holding 0.00% 09/08/2022	2.5%	Asia	Hong Kong	USD	Banks	A
4	Remgro Jersey GBP 2.63% 22/03/2021	2.3%	United Kingdom	United Kingdom	GBP	Health Care Equipment & Services	NR
5	CapitaLand 1.95% 17/10/2023	2.3%	Asia	Singapore	SGD	Real Estate	NR
6	Wells Fargo Preference	2.3%	America	United States	USD	Banks	BBB-
7	Bank of America Preference	2.2%	America	United States	USD	Banks	BB+
8	DP World 1.75% 19/06/2024	2.2%	Asia	United Arab Emirates	USD	Transportation	BBB
9	FireEye 1.63% 01/06/2035	2.2%	America	United States	USD	Software & Services	NR
10	Intu Jersey 2 2.88% 01/11/2022	2.1%	United Kingdom	United Kingdom	GBP	Real Estate	NR
11	PB Issuer No. 4 3.25% 03/07/2021	2.1%	Asia	Hong Kong	USD	Transportation	NR
12	St Modwen Properties Securities Jersey 2.88% 06/03/2019	2.1%	United Kingdom	United Kingdom	GBP	Real Estate	NR
13	Ctrip.com International 1.25% 15/09/2022	1.9%	Asia	China	USD	Retailing	NR
14	Nabors Industries 0.75% 15/01/2024	1.8%	America	Bermuda	USD	Energy	BB-
15	Pandora Media 1.75% 01/12/2020	1.8%	America	United States	USD	Software & Services	NR
16	Hercules Capital 4.38% 01/02/2022	1.8%	America	United States	USD	Diversified Financials	BBB-
17	DISH Network 2.38% 15/03/2024	1.7%	America	United States	USD	Media	CCC
18	Brait 2.75% 18/09/2020	1.7%	Africa	South Africa	GBP	Diversified Financials	NR
19	Veeco Instruments 2.70% 15/01/2023	1.7%	America	United States	USD	Semiconductors & Semiconductor Equipment	NR
20	Becton Dickinson and Preference	1.6%	America	United States	USD Services	Health Care Equipment &	BB+
21	Finisar 0.50% 15/12/2036	1.6%	America	United States	USD	Technology Hardware & Equipment	NR
22	Twitter 1.00% 15/09/2021	1.6%	America	United States	USD	Software & Services	BB-
23	Glencore Funding 0.00% 27/03/2025	1.5%	United Kingdom	United Kingdom	USD	Materials	BBB+
24	BW Group 1.75% 10/09/2019	1.5%	Europe	Norway	USD	Energy	BB+
25	Cromwell SPV Finance 2.50% 29/03/2025	1.4%	Australia	Australia	EUR	Real Estate	BB+
26	China Overseas Finance Investment Cayman V 0.00% 05/01/2023	1.4%	Asia	Hong Kong	USD	Real Estate	NR
27	America Movil 5.50% 17/09/2018	1.4%	Europe	Netherlands	EUR	Telecommunication Services	A-
28	Helical Bar Jersey 4.00% 17/06/2019	1.3%	United Kingdom	United Kingdom	GBP	Real Estate	NR
29	SunPower 0.88% 01/06/2021	1.3%	America	United States	USD	Semiconductors & Semiconductor Equipment_	NR
30	Stanley Black & Decker Preference	1.3%	America	United States	USD	Capital Goods	BBB+
31	TCP Capital 5.25% 15/12/2019	1.3%	America	United States	USD	Diversified Financials	BBB-
32	Intu Jersey 2.50% 04/10/2018	1.3%	United Kingdom	United Kingdom	GBP	Real Estate	NR

PORTFOLIO DISCLOSURE continued

No.	Investment	Holding as a percentage of portfolio	Region	Country	Currency	Sector	Rating
33	TPG Specialty Lending 4.50% 01/08/2022	1.3%	America	United States	USD	Diversified Financials	BBB-
34	Chesapeake Energy 5.50% 15/09/2026	1.3%	America	United States	USD	Energy	CCC
35	Weatherford International 5.88% 01/07/2021	1.2%	America	United States	USD	Energy	B-
36	Whiting Petroleum 1.25% 01/04/2020	1.2%	America	United States	USD	Energy	B-
37	Mebuki Financial Group 0.00% 24/04/2019	1.2%	Asia	Japan	USD	Banks	A
38	FMG Resources August 2006 5.13% 15/05/2024	1.2%	America	United States	USD	Materials	BB+
39	Abigrove 0.00% 16/02/2022	1.2%	Europe	Russia	USD	Materials	BBB-
40	Telenor East Holding II 0.25% 20/09/2019	1.2%	Europe	Netherlands	USD	Telecommunication Services	A
41	BlackRock Capital Investment 5.00% 15/06/2022	1.2%	America	United States	USD	Diversified Financials	BBB-
42	Starwood Property Trust 4.38% 01/04/2023	1.2%	America	United States	USD	Diversified Financials	BB-
43	Aabar Investments 1.00% 27/03/2022	1.2%	Europe	Italy	EUR	Banks	NR
44	Future Land Development Holdings 2.25% 10/02/2019	1.1%	Asia	Hong Kong	HKD	Real Estate	BB
45	Kinder Morgan Preference	1.1%	America	United States	USD	Energy	NR
46	Colony NorthStar 3.88% 15/01/2021	1.1%	America	United States	USD	Real Estate	NR
47	TCP Capital 4.63% 01/03/2022	1.1%	America	United States	USD	Diversified Financials	BBB-
48	Smart Insight International 0.00% 27/01/2019	1.1%	Asia	Hong Kong	HKD	Real Estate	NR
49	Brenntag Finance 1.88% 02/12/2022	1.1%	Europe	Germany	USD	Capital Goods	BBB-
50	OUE 3.00% 13/04/2023	1.1%	Asia	Singapore	SGD	Real Estate	NR
51	OUE 1.50% 13/04/2023	1.1%	Asia	Singapore	SGD	Real Estate	NR
52	Macquarie Infrastructure 2.00% 01/10/2023	1.1%	America	United States	USD	Transportation	BBB-
53	Harvest International 0.00% 21/11/2022	1.1%	Asia	Hong Kong	HKD	Consumer Durables & Apparel	NR
54	Zhen Ding Technology Holding 0.00% 26/06/2019	1.0%	Asia	Taiwan	USD	Technology Hardware & Equipment	NR
55	Volcan Holdings 4.13% 11/04/2020	1.0%	United Kingdom	United Kingdom	GBP	Materials	NR
56	Weibo 1.25% 15/11/2022	0.9%	America	Cayman Islands	USD	Software & Services	NR
57	NextEra Energy Preference	0.9%	America	United States	USD	Utilities	BBB
58	Orpar 0.00% 20/06/2024	0.9%	Europe	France	EUR	Food Beverage & Tobacco	NR
59	Goldman Sachs BDC 4.50% 01/04/2022	0.9%	America	United States	USD	Diversified Financials	NR
60	Cypress Semiconductor 2.00% 01/02/2023	0.9%	America	United States	USD	Semiconductors & Semiconductor Equipment	BB-
61	Jazz Investments I 1.88% 15/08/2021	0.8%	America	United States	USD	Pharmaceuticals Biotech & Life Sciences	B+

No.	Investment	Holding as a percentage of portfolio	Region	Country	Currency	Sector	Rating
62	Baosteel Hong Kong Investment 0.00% 01/12/2018	0.8%	Asia	Hong Kong	USD	Banks	NR
63	Mandatory Exchangeable Trust Preference	0.7%	Asia	China	USD	Telecommunication Services	NR
64	Liberty Interactive 3.75% 15/02/2030	0.7%	America	United States	USD	Retailing	B
65	Live Nation Entertainment 2.50% 15/03/2023	0.7%	America	United States	USD	Media	B+
66	Liberty Interactive 4.00% 15/11/2029	0.7%	America	United States	USD	Retailing	B
67	Asia View 1.50% 08/08/2019	0.7%	Asia	Hong Kong	USD	Transportation	NR
68	NantHealth 5.50% 15/12/2021	0.7%	America	United States	USD	Health Care Equipment & Services	NR
69	Scorpio Tankers 2.38% 01/07/2019	0.7%	America	United States	USD	Energy	NR
70	Nabors Industries Preference	0.6%	America	United States	USD	Energy	NR
71	BE Semiconductor Industries 0.50% 06/12/2024	0.6%	Europe	Netherlands	EUR	Semiconductors & Semiconductor Equipment	NR
72	Bayer Capital 5.63% 22/11/2019	0.6%	Europe	Germany	EUR	Pharmaceuticals Biotech & Life Sciences	BB+
73	Hess Preference	0.5%	America	United States	USD	Energy	NR
74	Zhongsheng Group Holdings 0.00% 23/05/2023	0.5%	Asia	Hong Kong	HKD	Retailing	NR
75	Shui On Development Holding, FRN 7.50% Perpetual	0.5%	Asia	Hong Kong	USD	Real Estate	NR
76	Vishay Intertechnology 2.25% 15/06/2025	0.5%	America	United States	USD	Technology Hardware & Equipment	BB+
77	Teva Pharmaceutical Industries Preference	0.5%	America	United States	USD	Pharmaceuticals Biotech & Life Sciences	NR
78	Premier Oil Warrant 31/05/2022	0.1%	United Kingdom	United Kingdom	GBP	Energy	NR
		100.0%					

Note: Rating describes the most conservative rating published by an external reputable credit rating agency. Where a security is described as 'NR' it is not rated, as no external rating is available. These securities are subject to an internal credit analysis and rating procedure.

The aim of the Strategic Report is to provide shareholders with the ability to assess how the Directors have performed their duty to promote the success of the Company during the year under review. To assist shareholders with this assessment, the Strategic Report sets out the structure and objective of the Company, its investment policies and risk management, performance and key performance indicators, share capital, the Company's environmental, social and ethical policy, principal risks and how the Company seeks to manage those risks and its long term viability.

Business Review

Structure and Objective of the Company

JPMorgan Global Convertibles Income Fund Limited is a registered closed-ended investment scheme registered pursuant to The Protection of Investors (Bailiwick of Guernsey) Law, 1987 as amended and The Registered Collective Investment Scheme Rules, 2008 issued by the Guernsey Financial Services Commission (the 'Commission'). The Company has a premium listing on the London Stock Exchange.

The Company's investment objective is to provide investors with a dividend income combined with the potential for long term capital growth by investing in a globally diversified portfolio of convertible securities. In seeking to achieve this objective, the Company employs JPMF to actively manage the Company's assets.

Investment Policies and Risk Management

In order to achieve the Company's investment objective and to seek to manage risk, the Board imposes various investment limits and restrictions, as described on the inside cover and page 1 of this report. Compliance with the Board's investment restrictions and guidelines is monitored continuously by the Manager and is reported to the Board on a monthly basis.

Performance

In the year ended 30th June 2018, the Company produced a total return to shareholders of -0.6% and a total return on net assets of +1.1%. The Investment Managers' Report on pages 8 to 11 includes a review of developments during the year as well as information on investment activity within the Company's portfolio.

Total Return, Revenue and Dividends

Total income amounted to £3.7 million (2017: £19.3 million) and net total profit after deducting administrative expenses, finance costs and taxation, amounted to £1.3 million (2017: £16.8 million).

Interim dividends totalling 3.375p (2017: 3.375p) per share, amounting to £5.7 million (2017: £6.6 million), have been paid in respect of the financial year ended 30th June 2018. The Directors have declared a fourth interim dividend of 1.125p per share to be paid on 25th October 2018 to shareholders on the register at the close of business on 21st September 2018.

Key Performance Indicators ('KPIs')

The Board uses a number of financial KPIs to monitor and assess the performance of the Company. The principal KPIs are:

- **Performance**
  The principal objective is to provide investors with a dividend income combined with the potential for long term capital growth. The Board also monitors performance compared with a broad range of competitor funds.

- **Share price premium/discount to net asset value per share**
  The Board recognises that the possibility of a widening premium or discount can be a disadvantage of investment companies that can discourage investors and influence the liquidity of the Company's shares. The Board has the authority to issue and repurchase shares so as to address imbalances in supply of and demand for the Company's shares. A total of 32,060,128 shares were repurchased into Treasury during the year.

- **Ongoing Charges**
  The ongoing charges represent the Company's management fee and all other operating expenses, excluding finance costs, expressed as a percentage of the average daily net assets during the year. The ongoing charges for the year ended 30th June 2018 were 1.00% (2017: 0.99%). The Board reviews each year an analysis which shows a comparison of the Company's ongoing charges and its main expenses with those of its peers.

Share Capital

The Directors have, on behalf of the Company, authority to issue new shares, to repurchase shares into Treasury, and to repurchase shares for cancellation. Details of share capital transactions in the year are detailed in the share price premium/discount paragraph above. Further details are given in note 18 on page 55.

Board Diversity

When recruiting a new Director, the Board's policy is to appoint individuals on merit. Diversity is important in bringing an appropriate range of skills and experience to the Board.

Employees, Social, Community and Human Rights Issues

The Company has a management contract with the Manager. It has no employees and all of its Directors are non-executive. The day to day activities are carried out by third parties. There are therefore no disclosures to be made in respect of employees. The Board notes the Manager's policy statements in respect of Social, Community and Environmental and Human Rights issues, as highlighted in italics:

Social, Community, Environmental and Human Rights

The Manager believes that companies should act in a socially responsible manner. Although our priority at all times is the best economic interests of our clients, we recognise that, increasingly, non-financial issues such as social and environmental factors have the potential to impact the share price, as well as the reputation of companies. Specialists within the Manager's environmental, social and governance ('ESG') team are tasked with assessing how companies deal with and report on social and environmental risks and issues specific to their industry.

The Manager is also a signatory to the United Nations Principles of Responsible Investment, which commits participants to six principles, with the aim of incorporating ESG criteria into their processes when making stock selection decisions and promoting ESG disclosure. Our detailed approach to how we implement the principles is available on request.

Greenhouse Gas Emissions

The Company is managed by JPMF with delegation of the active management of the Company's assets to JPMAM. JPMF acts as Company Secretary and provides administrative support. The Company has no employees, all its Directors being non-executive, the day to day activities being carried out by third parties. There are therefore no disclosures to be made in respect of employees. The Company itself has no premises, consumes no electricity, gas or diesel fuel and consequently does not have a measurable carbon footprint. JPMAM is a signatory to the Carbon Disclosure Project and JPMorgan Chase is a signatory to the Equator Principles on managing social and environmental risk in project finance.

The Modern Slavery Act 2015 (the 'MSA')

The MSA requires companies to prepare a slavery and human trafficking statement for each financial year of the organisation. As the Company has no employees and does not supply goods and services, the MSA does not apply directly to it. The MSA requirements more appropriately relate to JPMF and JPMAM. JPMorgan's statement on the MSA can be found on the following website: https://www.jpmorganchase.com/corporate/Corporate-Responsibility/document/modern-slavery-act.pdf

Criminal Corporate Offence

The Company has zero tolerance for tax evasion. Shares in the Company are purchased through intermediaries or brokers, therefore no funds flow directly into the Company. As the Company has no employees, the Board's focus is to ensure that the risk of the Company's service providers facilitating tax evasion is also low. To this end it seeks assurance from its service providers that effective policies and procedures are in place.

Principal Risks

The Directors confirm that they have carried out a robust assessment of the principal risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity. The principal risks and how they are being managed or mitigated are summarised as follows:

- **Investment Risk**
  An inappropriate investment strategy, for example excessive concentration of investments, asset allocation, the level of gearing, or the degree of portfolio risk, may lead to underperformance against the Company's benchmark index and peer companies. In addition this may result in the Company's shares trading on a wider discount. A widening of the discount results in loss of value for shareholders. In order to try to manage the Company's discount, which can be volatile, the Company operates a share issuance and repurchase programme. The Board regularly discusses discount policy and has set parameters for the Manager and the Company's broker to follow.

  The Board manages investment risks by diversification of investments through its investment restrictions and guidelines which are monitored and reported on by the Manager. The Manager provides the Directors with timely and accurate management information, including performance data and attribution analyses, revenue estimates, cash reports and shareholder analyses. The Board monitors the implementation and results of the investment process with the Investment Managers, who attend Board meetings, and reviews data which show statistical measures of the Company's risk profile. The Investment Managers employ the Company's gearing tactically, within a strategic range set by the Board. In addition to regular Board meetings, the Board conducts an annual strategy session where it discusses the portfolio's objective and challenges the strategy they have set to achieve it.

- **Market Risk**
  Market risk arises from uncertainty about the future prices of the Company's investments. It represents the potential loss that the Company might suffer through holding investments in the face of negative market movements. The Board considers asset allocation, stock selection and levels of gearing on a regular basis and has set investment restrictions

and guidelines, which are monitored and reported on by the Manager. The Board monitors the implementation and results of the investment process with the Manager.

- **Operational Risk**

  Disruption to, or failure of, the Manager's accounting, dealing or payments systems or the Depositary's, Custodian's or Administrator's records may prevent accurate reporting and monitoring of the Company's financial position. This includes the risk of cybercrime and consequent potential threat to security and business continuity.

  Details of how the Board monitors the services provided by the Manager and its associates and the key elements designed to provide effective risk management and internal controls are included within the Risk Management and Internal Controls section of the Corporate Governance Statement on page 26.

- **Political and Regulatory Risks**

  Political risks, such as the UK leaving the European Union, or a change in financial or tax legislation impacting the treatment of the Company's earnings, may impair the Manager's ability to continue with its investment activity. These risks are discussed by the Board on a regular basis.

  Other political risks, such as the imposition of restrictions on the free movement of capital may impair the Manager's ability to continue with its investment activity. Similarly, adverse tax, regulatory or political change could have a material impact on the Company. The Company must also comply with the provisions of the Guernsey Companies Law and, since its shares are listed on the London Stock Exchange, the UKLA Listing Rules and Disclosure Guidance and Transparency Rules ('DTRs'). A breach of the Companies Law could result in the Company and/or the Directors being fined or the subject of criminal proceedings. Breach of the UKLA Listing Rules or DTRs could result in the Company's shares being suspended from listing. The Board relies on the services of its Company Secretary and its professional advisers to ensure compliance with the Companies Law and the UKLA Listing Rules and DTRs.

Long Term Viability

In accordance with the UK Corporate Governance Code, the Board has assessed the prospects of the Company over a longer period than the 12 months required by the 'Going Concern' provision. The provisions require the Board to explain, taking account of the Company's current position and principal risks, how they have assessed its prospects and over what period and why they consider that period to be appropriate.

The Directors have determined that a three year period to 11th October 2021 is an appropriate period over which to provide its viability statement. This period aligns with the Company's objective of providing long term capital growth and is the minimum period of time that shareholders ought to consider an investment in the Company.

In making this assessment the Directors have taken into account the Company's current position and have conducted a robust assessment of its principal risks and uncertainties (as detailed on pages 17 and 18), in particular the risk that the portfolio's securities could reduce in value in a falling market. The Directors examined a number of adverse scenarios on the portfolio and the Company. Included in this scenario testing was one which was extreme but plausible. This utilised data from the credit crisis of 2008 but included also a consideration of the potential detrimental impact of gearing upon the Company, including the need to meet certain loan covenant tests, a negative impact of illiquidity on realised prices achieved on securities sold to generate cash and the impact of any buyback that could occur.

The assessment identified the following features which support the Company's ability to continue in operation and meet its liabilities as they fall due over the three year period:

- the vast majority of the Company's investments are readily realisable and can be sold to meet its liabilities as they fall due, the main liability currently being the bank borrowings;
- the essential services required by the Company are outsourced to third party service providers. This allows key service providers to be replaced at relatively short notice where necessary;
- in addition to its cash balances, which were £12,549,000 at 30th June 2018, the Company has a $32 million loan facility, which has been rolled over to July 2019. The loan facility can be used to meet its liabilities in the short term; and
- the expenses of the Company are predictable and modest in comparison with the assets and there are no capital commitments currently foreseen which would alter that position.

Based on the results of its review, taking into account the long-term nature of the Company and its financing and assuming a successful continuation vote at the 2018 AGM, the Board has a reasonable expectation that the Company will be able to continue its operations and meet its expenses and liabilities as they fall due for at least the next three years.

By order of the Board
Jonathan Latter, for and on behalf of
JPMorgan Funds Limited
Company Secretary

12th October 2018

Directors' Report

Simon Miller
Independent Non-Executive Director

A Director since May 2013.

Last re-elected to the Board: 2017.

Chairman of the Board.

Simon Miller was called to the bar and subsequently worked for Lazard's and County NatWest. He has been chairman and Director of a number of private and public companies. He is currently Chairman of Brewin Dolphin plc and BlackRock North American Income Trust plc and a non executive director of STV plc. Mr Miller is resident in the United Kingdom.

Connections with Manager: None.

Shared directorships with other Directors: None.

Shareholding in Company: 25,000.

Charlotte Valeur
Independent Non-Executive Director

A Director since May 2013.

Last re-elected to the Board: 2017.

Member of the Audit Committee, Remuneration and Nomination Committee and Management Engagement Committee.

Charlotte Valeur is a Jersey resident non-executive director who has in excess of 30 years' experience in the financial services industry. Mrs Valeur is the founder and managing director of the Global Governance Group, a Jersey based Governance Consultancy. She is a non-executive director of various listed and unlisted companies, including Chair of the IOD UK and Blackstone/GSO Loan Financing Limited and a director of Board Apprentice Limited and Laing O'Rourke Limited. Mrs Valeur is the former managing partner of Brook Street Partners and previously held senior executive roles with S.G.Warburg and Co, BNP Paribas, Societe Generale and Nordea A/S.

Connections with Manager: None.

Shared directorships with other Directors: None.

Shareholding in Company: 25,000.

Paul Meader
Independent Non-Executive Director

A Director since May 2013.

Last re-elected to the Board: 2017.

Chairman of the Remuneration and Nomination Committee. Member of the Audit Committee and Management Engagement Committee.

Paul Meader is a Guernsey resident non-executive director of ICG-Longbow Senior Secured UK Property Debt Investments Limited,Volta Finance Limited, Schroder Oriental Income Fund Limited and SQN Asset Finance Income Fund Limited and a number of unlisted investment companies. He is Senior Independent Director of Highbridge Multi Strategy Fund Limited. He has over 30 years' experience in the financial services industry, most notably as head of portfolio management for Collins Stewart, chief executive of Corazon Capital and managing director of a Rothschild's Swiss private-banking subsidiary in Guernsey. Mr Meader was a Commissioner of the Guernsey Financial Services Commission and past Chairman of the Guernsey International Business Association.

Connections with Manager: None.

Shared directorships with other Directors: None.

Shareholding in Company: 30,000

Philip Taylor FCA
Independent Non-Executive Director

A Director since May 2013.

Last re-elected to the Board: 2017.

Senior Independent Director.

Chairman of the Audit Committee. Member of the Remuneration and Nomination Committee and Management Engagement Committee.

Philip Taylor is a Jersey resident non-executive director who serves as chairman of the States of Jersey Treasury Advisory Panel. He is a non-executive director of Royal Bank of Scotland International Limited and City Merchants High Yield Trust Limited. Mr Taylor is a former partner of PricewaterhouseCoopers in the United Kingdom and Channel Islands and has served as a Commissioner of the Jersey Financial Services Commission and as a member of the Conduct Committee and the Case Management Committee of the Financial Reporting Council.

Connections with Manager: None.

Shared directorships with other Directors: None.

Shareholding in Company: 104,136.

Gailina Liew
Independent Non-Executive Director

A Director since July 2017.

Last re-elected to the Board: 2017.

Chairman of the Management Engagement Committee. Member of the Audit Committee and Remuneration and Nomination Committee.

Gailina Liew was appointed to the Board on 19th July 2017. She had served as a board observer since November 2016 through the Board Apprentice programme after a competitive selection process to appoint an appropriate candidate based on her skills and experience. She is a Jersey resident non-executive director of Digital Jersey Limited, founding executive director of the Jersey Policy Forum and is vice-chair and Commissioner of the Jersey Appointments Commission. She was formerly the board chair of ventureLAB (a Canadian innovation centre) and president, chief operating officer and board director of GeneNews Limited, a TSX-listed company. She has worked as an independent biotech consultant, served on the Criminal Injuries Compensation Board in Ontario and acted as corporate legal counsel and corporate secretary to the Ontario Lead Investment Fund.

Connections with Manager: None.

Shared directorships with other Directors: None.

Shareholding in Company: None.

The Directors present their report and the audited financial statements for the year ended 30th June 2018.

Management of the Company

The Manager and Company Secretary is JPMorgan Funds Limited ('JPMF'), a company authorised and regulated by the FCA. The active management of the Company's assets is delegated by JPMF to an affiliate, JPMorgan Asset Management (UK) Limited ('JPMAM'). The Manager is a wholly-owned subsidiary of JPMorgan Chase Bank which, through other subsidiaries, also provides marketing, banking, dealing and custodian services to the Company.

The Manager is employed under a contract which is subject to six months' notice of termination. If the Company wishes to terminate the contract on less than six months' notice, the balance of the six months' remuneration is payable by way of compensation.

Principal Activities

The principal activities of the Company throughout the year ended 30th June 2018 are disclosed in the 'Key Features' section on the inside cover and page 1.

Financial Instruments

The Company's financial instruments comprise its investment portfolio, cash balances, bank borrowings and debtors and creditors that arise directly from its operations such as sales and purchases awaiting settlement and accrued income. The financial risk management objectives and policies arising from its financial instruments and the exposure of the Company to risk are disclosed in note 25 on pages 58 to 65.

The Alternative Investment Fund Managers Directive ('AIFMD')

JPMF is the Company's alternative investment fund manager ('AIFM'). It is approved as an AIFM by the FCA. For the purposes of the AIFMD the Company is an alternative investment fund ('AIF'). JPMF has delegated responsibility for the day to day management of the Company's portfolio to JPMAM. The Company has appointed the Bank of New York Mellon (International) Limited ('BNY') as its depositary. BNY has appointed JPMorgan Chase Bank, N.A. as the Company's custodian. BNY is responsible for the oversight of the custody of the Company's assets and for monitoring its cash flows.

The AIFMD requires certain information to be made available to investors in AIFs before they invest and requires that material changes to this information be disclosed in the annual report of each AIF. An Investor Disclosure Document, which sets out information on the Company's investment strategy and policies, leverage, risk, liquidity, administration, management, fees, conflicts of interest and other shareholder information is available on the Company's website at www.jpmconvertiblesincome.co.uk. There have been no material changes (other than those reflected in these financial statements) to this information requiring disclosure. Any information requiring immediate disclosure pursuant to the AIFMD will be disclosed to the London Stock Exchange through a primary information provider.

The Company's leverage and JPMF's remuneration disclosures are set out on pages 68 and 69.

Management Fee

Under the terms of the Management Agreement, the management fee is charged at the rate of 0.75% per annum of the Company's net asset value. The fee is calculated and paid monthly in arrears. Investments made by the Company in investment funds on which the Manager or a member of its group earns a fee are excluded from the calculation and therefore attract no management fee.

Directors

The Directors of the Company who held office at the end of the year are detailed on page 20. Gailina Liew was appointed a Director on 19th July 2017.

Details of Directors' beneficial shareholdings in the Company can be found in the Directors' Remuneration Report on page 32.

In accordance with corporate governance best practice, all Directors will retire at the forthcoming Annual General Meeting and will offer themselves for re-election. The Remuneration and Nomination Committee (the 'Committee') has reviewed the composition, structure and diversity of the Board, its succession planning, the independence of the Directors and whether each of the Directors has sufficient time available to discharge their duties effectively. The Committee confirms that it believes that the Board has an appropriate mix of skills and backgrounds and that all Directors should be considered as Independent in accordance with the provisions of the AIC Code. Having considered the Directors' qualifications, performance, independence and contribution to the Board and its committees, the Committee confirms that each Director continues to be effective and demonstrates commitment to the role.

Notwithstanding that Paul Meader is a director or chairman of six companies listed on the London Stock Exchange, the Committee noted that he is a full-time non-executive director and that all six companies are listed investment companies where the level of complexity and time commitment required is lower than larger trading companies. Further, they noted that Mr Meader has attended all Board and committee meetings in person during the year and that he has always shown the time commitment to discharge fully and effectively his duties as a Director.

Accordingly, the Board recommends to shareholders that all Directors be re-elected.

Director Indemnification and Insurance

As permitted by the Company's Articles of Incorporation, the Directors have the benefit of an indemnity which was in place during the year and as at the date of this report.

An insurance policy is maintained by the Company which indemnifies the Directors of the Company against certain liabilities arising in the conduct of their duties. There is no cover against fraudulent or dishonest actions.

Independent Auditors

Ernst & Young LLP have expressed their willingness to continue in office as auditors to the Company and a resolution proposing their re-appointment and to authorise the Directors to determine their remuneration for the ensuing year will be put to shareholders at the forthcoming Annual General Meeting.

Notifiable Interests in the Company's Voting Rights

At 30th June 2018 the following had notified the Company of an interest in the Company's voting rights:

Shareholders	Number of shares held	%
Brewin Dolphin Limited	28,853,519	14.8
Premier Fund Managers Limited	15,090,198	8.9
Old Mutual plc	9.822,038	6.0
Brooks Macdonald Group plc	7,222,568	4.7
Brown Shipley & Co. Limited	5,331,750	3.0

Since the year end, the following notifications have been received:

Brooks Macdonald Group plc	6,930,117	5.1
Quilter plc* below notifiable threshold		

*Re-designation of Old Mutual plc holding.

The Company is also aware that approximately 0.25% of the Company's total voting rights are held by individuals through savings products managed by JPMorgan and registered in the name of Chase Nominees Limited. If those voting rights are not exercised by the beneficial holders, in accordance with the terms and conditions of the savings products, under certain circumstances JPMorgan has the right to exercise those voting rights. That right is subject to certain limits and restrictions and falls away at the conclusion of the relevant general meeting.

The rules concerning the appointment and replacement of Directors, amendment of the Articles of Incorporation and powers to issue or buy back the Company's shares are contained in the Articles of Incorporation of the Company and the Companies (Guernsey) Law 2008.

There are no restrictions concerning the transfer of securities in the Company; no special rights with regard to control attached to securities; no agreements between holders of securities regarding their transfer known to the Company; no agreements which the Company is party to that affect its control following a takeover bid; and no agreements between the Company and its Directors concerning compensation for loss of office.

Listing Rule 9.8.4R

Listing Rule 9.8.4R requires the Company to include certain information in a single identifiable section of the Annual Report or a cross reference table indicating where the information is set out. The Directors confirm that there are no disclosures to be made in this regard.

Annual General Meeting

NOTE: THIS SECTION IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you should seek your own personal financial advice from your stockbroker, bank manager, solicitor or other financial adviser authorised under the Financial Services and Markets Act 2000.

Resolutions relating to the following items of special business will be proposed at the forthcoming Annual General Meeting:

(i) Continuation vote (resolution 10)

The Directors recommend that the Company continues its business as a closed-ended collective investment scheme for a further three year period.

(ii) Authority to allot new shares and disapplication of pre-emption rights (resolutions 11 and 12)

The Directors will seek renewal of the authority at the AGM to issue up to 13,168,975 new ordinary shares for cash such amount being equivalent to 10% of the present issued ordinary share capital (excluding Treasury shares) as at the last practicable date before the publication of this document. This authority will expire at the conclusion of the AGM of the Company in 2019 unless renewed at a prior general meeting.

If resolution 12 is passed, the Directors will also have the power to allot the shares over which they are granted authority pursuant to resolution 11 for cash on a non pre-emptive basis. Any ordinary shares allotted on a non pre-emptive basis will not be issued at a price less than the prevailing net asset value per ordinary share, based on the reasonable belief of the Directors at the time of issuance.

The Directors will limit the number of ordinary shares which may be issued for cash on a non pre-emptive basis to such maximum number of shares as shall be equal to 10% of the Company's issued ordinary share capital as at midnight on 10th October 2018 (this being the maximum amount of ordinary shares that the Company may issue during the next twelve months without having to publish a new prospectus).

The Directors intend to use this authority when they consider that it is in the best interests of shareholders to do so and to satisfy continuing demand for the Company's ordinary shares. As such issues are only made at prices greater than the NAV, they increase the assets underlying each share and spread the Company's administrative expenses, other than the management fee which is charged on the value of the Company's assets, over a greater number of shares.

(iii) Authority to repurchase the Company's shares (resolution 13)

The authority to repurchase up to 14.99% of the Company's issued ordinary share capital, granted by shareholders at an Extraordinary General Meeting of the Company on 11th July 2018 will expire on 10th January 2020, unless renewed prior to that time. The Directors consider that the renewing of the authority is in the interests of shareholders as a whole, as the repurchase of shares at a discount to the underlying NAV enhances the NAV of the remaining shares.

Resolution 13 gives the Company authority to repurchase its own issued ordinary shares in the market as permitted by the Companies (Guernsey) Law 2008 and the UKLA Listing Rules. The authority limits the number of shares that could be purchased to a maximum of 19,740,294 ordinary shares, representing approximately 14.99% of the Company's issued ordinary shares as at midnight on 10th October 2018 (being the latest practicable date prior to the publication of this document). The authority also sets minimum and maximum prices.

If resolution 13 is passed at the AGM it is the Company's current intention to hold in Treasury any shares it may repurchase pursuant to the authority granted to it for possible re-issue at a premium to NAV. This policy is kept under review by the Board.

Recommendation

The Board considers that resolutions 10 to 13 are likely to promote the success of the Company and are in the best interests of the Company and its shareholders as a whole. The Directors unanimously recommended that you vote in favour of the resolutions.

Corporate Governance Statement

Compliance

The Company is committed to high standards of corporate governance. This statement, together with the Statement of Directors' Responsibilities on page 34, indicates how the Company, as a Guernsey incorporated company listed on the London Stock Exchange, has applied the principles and complied with the provisions set out in the Financial Reporting Council 2016 UK Corporate Governance Code (the 'UK Code', which can be accessed at www.frc.org.uk). The Company also complies with the Code of Corporate Governance issued by the Guernsey Financial Services Commission (the 'Guernsey Code', which can be accessed at www.gfsc.gg), and the Code of Corporate Governance (for Guernsey domiciled member companies) issued by the Association of Investment Companies (the 'AIC Code', which can be accessed at www.theaic.co.uk).

Companies who report against the AIC Code and who follow the AIC Guide meet their obligations in relation to the UK Code, the Guernsey Code and paragraph 9.8.6 of the Listing Rules.

The Board is responsible for ensuring the appropriate level of corporate governance and considers that the Company has complied with the best practice provisions of the UK Code, the AIC Code and the Guernsey Code throughout the year under review insofar as they are relevant to the Company's business as a closed ended investment Company.

Role of the Board

A management agreement between the Company and the Manager and an administration agreement between the Company and the Administrator sets out the matters which have been delegated to the Manager and the Administrator. This includes management of the Company's assets and the provision of accounting, company secretarial, administration and some marketing services. All other matters are reserved for the approval of the Board. A formal schedule of matters reserved to the Board for decision has been approved. This includes determination and monitoring of the Company's investment objectives and policy and its future strategic direction, gearing policy, management of the capital structure, appointment and removal of third party service providers, review of key investment and financial data and the Company's corporate governance and risk control arrangements.

The Board has procedures in place to deal with potential conflicts of interest and confirms that the procedures have operated effectively during the year under review.

The Board meets on at least four occasions during the year and additional meetings are arranged as necessary. Full and timely information is provided to the Board to enable it to function effectively and to allow Directors to discharge their responsibilities.

There is an agreed procedure for Directors to take independent professional advice if necessary and at the Company's expense. This is in addition to the access that every Director has to the advice and services of the Company Secretary, who is responsible to the Board for ensuring that Board procedures are followed and for compliance with applicable rules and regulations.

Board Composition

The Board, chaired by Simon Miller, consists of five non-executive Directors, all of whom are regarded by the Board as independent, including the Chairman. The Board believes that it is appropriate

Corporate Governance Statement continued

to have a Senior Independent Director and Philip Taylor has been appointed to this role. He is available to shareholders if they have concerns that cannot be resolved through discussion with the Chairman. The Directors have a breadth of investment knowledge, business and financial skills and experience relevant to the Company's business. Brief biographical details of each Director are set out on page 20. The Board constructively challenges the Manager, who assists the Board in the development of the Company's strategy.

A review of Board composition and balance is included as part of the annual performance evaluation of the Board, details of which may be found on pages 24 and 25.

Tenure

Directors are appointed by the Board until the following Annual General Meeting when, under the Company's Articles of Incorporation, it is required that they submit themselves for election by shareholders. Thereafter, a Director's re-election is subject to the performance evaluation carried out each year and the approval of shareholders at each annual general meeting, in accordance with corporate governance best practice.

Directors are expected to devote such time as is necessary to enable them to discharge their duties. All other directorships, significant commitments and interests, including those that conflict, or may potentially conflict, with the interests of the Company are disclosed prior to appointment and monitored during the term of their appointment.

The terms and conditions of Directors' appointments are set out in formal letters of appointment, copies of which are available for inspection on request at the Company's registered office and at the Annual General Meeting.

Induction and Training

On appointment, the Manager and Company Secretary provide all Directors with a formal and tailored induction. Thereafter regular briefings and training is provided on changes in regulatory requirements that affect the Company and Directors. Directors are encouraged to attend industry and other seminars covering issues and developments relevant to the Company.

Meetings and Committees

The Board delegates certain responsibilities and functions to its Committees. Committee membership is detailed in the Directors' biographies on page 20.

The table below details the number of Board and Committee meetings attended by each Director. During the year there were four Board meetings, three Remuneration and Nomination Committee meetings, two Audit Committee meetings and two Management Engagement Committee meetings.

Meetings Attended

	Board[1]	Remuneration and Nomination Committee	Audit Committee	Management Engagement Committee
Simon Miller[2]	4	3	2	2
Gailina Liew[3]	4	3	2	2
Paul Meader	4	3	2	2
Philip Taylor	4	3	2	2
Charlotte Valeur	3	2	1	2

[1] In addition to the four scheduled meetings held in the year ended 30th June 2018 there were several ad hoc meetings held to address business arising at short notice.

[2] Mr Miller resigned from all of the Board's committees on 10th October 2017 and attends committee meetings by invitation.

[3] Appointed 19th July 2017.

Board Committees

Remuneration and Nomination Committee

Purpose and Responsibilities

The purpose of the Remuneration and Nomination Committee is to review the size, structure and composition of the Board, lead the process for board appointments, review the adequacy of succession plans, oversee an annual performance evaluation of the Board, the Committees and each of the Directors and to make recommendations on the appropriateness of Directors' fees and the Board's policy on diversity. A full list of the Committee's responsibilities is detailed in the terms of reference, which can be found on our website at www.jpmconvertiblesincome.co.uk

Composition, Skills and Experience

All members of the Remuneration and Nomination Committee are independent non-executive Directors. The Committee is chaired by Paul Meader.

Board and Board Committee Composition

The Remuneration and Nomination Committee assists the Chairman of the Board in his assessment of the skills, experience, knowledge, composition and diversity of the Board and its Committees. The appointment of new directors follows a formal, rigorous and transparent procedure. Non-executive Directors are appointed for an initial period which expires at the next Annual General Meeting, when they are required to retire and submit themselves for election by shareholders.

Gailina Liew was appointed to the Board on 19th July 2017. She had acted as an apprentice under the Board Apprentice scheme since November 2016, hence it was unnecessary to engage recruitment consultants. A donation of £5,000 was made to Board Apprentice Limited in recognition of the introduction. Charlotte Valeur is a director of Board Apprentice Limited.

Effectiveness

The annual evaluation of the effectiveness of the Board, the Board's Committees and each individual Director is usually performed by the Chairman, with the assistance of the

Nomination and Remuneration Committee, consisting of a series of meetings with the Chairman as required. The evaluation of the Chairman is usually led by the Chairman of the Audit Committee. The appraisal of his performance is then discussed by the Directors. In light of the annual evaluation, the Board decides whether it is appropriate for each Director to seek election/re-election.

The Committee engaged a third party, Trust Associates, to undertake an independent evaluation of the Board and its Committees in 2017/2018. The evaluations concluded that the performance of the Board, its Committees, the Chairman and each of the Directors continues to be effective. The Chairman recommends to shareholders that each Director be re-elected at the forthcoming AGM. Trust Associates has no connection with the Board or the Manager.

If Directors have concerns about the Company or a proposed action which cannot be resolved, it is recorded in the Board minutes. No such concerns were raised during the year.

Independence
The Remuneration and Nomination Committee is responsible for the ongoing assessment of the independence of non-executive Directors, including the independence of the Chairman. In assessing independence, in particular independence from the Manager, the Committee considers whether a Director is independent in character and judgement and whether there are relationships or circumstances, including those contained in the UK Code, which are likely to affect, or could appear to affect, the Director's judgement. It does this with reference to the individual's performance and conduct in reaching decisions.

The Board does not believe that length of service in itself necessarily disqualifies a Director from seeking re-election but, when making a recommendation, the Board will take into account the ongoing requirements of the UK Code, including the need to refresh the Board and its Committees.

The Committee is satisfied that, throughout the year, all non-executive Directors, including the Chairman, who was independent on appointment, remained independent as to both character and judgement.

Board Diversity
The combination of personalities and experience on the Board provides a range of perspectives and challenge. When recruiting a new director, the Board's policy is to appoint individuals on merit, with due regard to the benefits of diversity.

Management Engagement Committee

Purpose and Responsibilities
The Management Engagement Committee is responsible for reviewing the key contractual arrangements between the Company and its various service providers to ensure that they remain in the best interests of the Company as a whole and are competitive with the market. The Committee is also responsible for reviewing and evaluating the performance of its service providers and making an annual recommendation to the Board concerning their continuing appointment. A full list of the Committee's responsibilities is detailed in the terms of reference, which can be found on our website at www.jpmconvertiblesincome.co.uk

Composition, Skills and Experience
All members of the Management Engagement Committee are independent non-executive Directors. The Committee is chaired by Gailina Liew.

Evaluation of the Manager
The Committee has reviewed the investment management, company secretarial, sales and marketing services provided to the Company by the Manager. This review, which is conducted on an annual basis, included investment performance, risk management, administration, controls and compliance.

The review concluded that the Manager's overall performance for the year was satisfactory. The Committee and the Board is therefore satisfied that the continuing appointment of the Manager for the provision of these services, on the terms agreed, continues to be in the best interests of shareholders as a whole.

Evaluation of Other Service Providers
The Committee also carried out reviews of its other key service providers.

Audit Committee

The report of the Audit Committee is set out on pages 28 and 29.

Terms of Reference

All of the Committees have written terms of reference which define clearly their respective responsibilities, copies of which are available for inspection on the Company's website, on request at the Company's registered office and at the Company's Annual General Meeting.

Relations with Shareholders

The Board regularly monitors the shareholder profile of the Company. It aims to provide shareholders with a full understanding of the Company's activities and performance and reports formally to shareholders half yearly by way of the Half Year and Annual Report and Accounts. This is supplemented by daily publication, through the London Stock Exchange, of the net asset value of the Company's shares.

Shareholders may also visit the Company's website at www.jpmconvertiblesincome.co.uk where the share price is updated every 15 minutes during trading hours. All shareholders have the opportunity, and are encouraged, to attend the Company's Annual General Meeting, at which the Directors and representatives of the Manager will be available in person to meet shareholders and answer their questions. The Company's

Corporate Governance Statement continued

brokers, the Investment Manager and the Manager hold regular discussions with larger shareholders and report their views to the Board. The Chairman and Directors make themselves available as and when required to support these meetings and to address shareholder queries. The Directors may be contacted through the Company Secretary whose details are shown on page 77 or via the 'Ask a Question' link on the Company's website.

The Company's Annual Report and Accounts is published in time to give shareholders at least 20 working days' notice of the Annual General Meeting. Shareholders who cannot attend the meeting but wish to raise questions in advance of the meeting are encouraged to write to the Company Secretary at the address shown on page 77 or via the 'Ask a Question' link on the Company's website.

Details of the proxy voting position on each resolution will be published on the Company's website shortly after the Annual General Meeting.

Risk Management and Internal Control

The UK Code requires the Directors, at least annually, to review the effectiveness of the Company's system of risk management and internal control and to report to shareholders that they have done so. This encompasses a review of all controls, which the Board has identified as including business, financial, operational, compliance and risk management controls.

The Directors are responsible for the Company's system of risk management and internal control, which is designed to safeguard the Company's assets, maintain proper accounting records and ensure that financial information used within the business, or published, is reliable. However, such a system can only be designed to manage rather than eliminate the risk of failure to achieve business objectives and therefore can only provide reasonable, but not absolute, assurance against fraud, material mis-statement or loss.

Since investment management, custody of assets and all administrative services are provided to the Company by the Manager, its associates and the Bank of New York Mellon, the Company's system of risk management and internal control mainly comprises the monitoring of their services including the operating controls established by them, to ensure they meet the Company's business objectives.

The Company does not have an internal audit function of its own, but relies on the internal audit department of the Manager. This arrangement is kept under review.

The key elements designed to provide effective risk management and internal control are as follows:

Financial Reporting – Regular and comprehensive review by the Audit Committee and the Board of key investment and financial data, including management accounts, revenue projections, analysis of transactions and performance comparisons.

Management Agreement – Appointment of a manager, regulated by the FCA, whose responsibilities are clearly defined in a written agreement.

Management Systems – The Manager's system of internal control includes organisational agreements which clearly define the lines of responsibility, delegated authority, control procedures and systems. These are monitored by the Manager's compliance department which regularly monitors and reports to the Board on compliance with FCA rules.

Investment Strategy – Authorisation and monitoring of the Company's investment strategy and exposure limits by the Board.

The Board, either directly or through the Audit Committee, reviewed the effectiveness of the Company's system of risk management and internal control by monitoring the operation of the key operating controls of the Manager and its associates as follows:

- maintained a risk matrix and reviewed the key risks to the Company at each quarterly meeting;
- reviewed reports on the internal controls and operations of the registrar, Link Asset Services;
- received and reviewed the quarterly compliance reports received from the Manager and the Administrator;
- received a report from the Depositary on the results of its monitoring of the Company's transactions;
- reviewed the terms of the agreements and undertook an evaluation of each service provider;
- reviewed reports on the internal controls and operations of the custodian, JPMorgan Chase Bank, which is itself independently reviewed; and
- reviewed every six months an independent report on the internal controls and the operations of the Manager.

By means of the procedures set out above, the Board confirms that it has reviewed the effectiveness of the Company's system of risk management and internal control for the year ended 30th June 2018, and to the date of approval of this Annual Report and Accounts.

During the course of its review of the system of risk management and internal control, the Board did not identify nor was it advised of any failings or weaknesses which it determined to be significant.

Corporate Governance and Voting Policy

The Company delegates responsibility for voting to JPMAM through the Manager. The following italicised wording is a summary of JPMAM's policy statements on corporate governance, voting policy and social and environmental issues, which has been reviewed and noted by the Board. Details on social and environmental issues are included in the Strategic Report on page 17.

Corporate Governance

JPMAM believes that corporate governance is integral to our investment process. As part of our commitment to delivering superior investment performance to our clients, we expect and encourage the companies in which we invest to demonstrate the highest standards of corporate governance and best business practice. We examine the share structure and voting structure of the companies in which we invest, as well as the board balance, oversight functions and remuneration policy. These analyses then form the basis of our proxy voting and engagement activity.

Proxy Voting

JPMAM manages the voting rights of the shares entrusted to it as it would manage any other asset. It is the policy of JPMAM to vote in a prudent and diligent manner, based exclusively on our reasonable judgement of what will best serve the financial interests of our clients. So far as is practicable, we will vote at all of the meetings called by companies in which we are invested.

Stewardship/Engagement

JPMAM recognises its wider stewardship responsibilities to its clients as a major asset owner. To this end, we support the introduction of the FRC Stewardship Code, which sets out the responsibilities of institutional shareholders in respect of investee companies. Under the Code, managers should:

- *publicly disclose their policy on how they will discharge their stewardship responsibilities to their clients;*
- *disclose their policy on managing conflicts of interest;*
- *monitor their investee companies;*
- *establish clear guidelines on how they escalate engagement;*
- *be willing to act collectively with other investors where appropriate;*
- *have a clear policy on proxy voting and disclose their voting record; and*
- *report to clients.*

JPMAM endorses the Stewardship Code for its UK investments and supports the principles as best practice elsewhere. We believe that regular contact with the companies in which we invest is central to our investment process and we also recognise the importance of being an 'active' owner on behalf of our clients.

JPMAM's Voting Policy and Corporate Governance Guidelines are available on request from the Company Secretary or can be downloaded from JPMAM's website: http://www.jpmorganassetmanagement.co.uk/governance, which also sets out its approach to the seven principles of the FRC Stewardship Code, its policy relating to conflicts of interest and its detailed voting record.

Audit Committee Report

Purpose and Responsibilities

The Audit Committee monitors and reviews the principles, policies and practices adopted in the preparation and audit of the accounts of the Company and the integrity of the financial statements and any other announcement relating to the Company's financial performance. The Committee also monitors the effectiveness of the risk management and internal control framework, the external auditors' independence and objectivity, the effectiveness of the audit process, corporate governance standards and regulatory compliance and reports its findings to the Board. A full list of the Committee's responsibilities is detailed in the terms of reference, which can be found on our website at www.jpmconvertiblesincome.co.uk

The Committee meets at least twice each year to review the Company's half-year and annual reports and the Company's system of risk management and internal control. The reviews include the assessment and assurance that the reports, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

The performance of the Committee is evaluated annually. Details of the evaluation process are given on pages 24 and 25.

Composition, Skills and Experience

All members of the Audit Committee are independent non-executive Directors. The Chairman of the Audit Committee is Philip Taylor. The Committee members' skills and experience are set out in the Director biographies on page 20. Simon Miller resigned from the Committee on 10th October 2017 and now attends meetings by invitation.

The members of the Audit Committee consider that at least one member has recent and relevant financial experience and that the committee as a whole has competence relevant to the sector in which the Company operates.

Significant Financial Judgements

During its review of the Company's financial statements for the year ended 30th June 2018, the Audit Committee considered the following significant issues, including those communicated by the Auditors during their reporting:

Significant issue	How the issue was addressed
Valuation and existence of investments	The valuation of investments, including those not quoted on an active market, is undertaken in accordance with the accounting policies, disclosed in note 2 to the accounts on pages 47 to 50. In the year ended to 30th June 2018, the Audit Committee reviewed the valuation policy and confirmed that the basis was appropriate and in line with market standards. The Audit Committee received a third party internal control report on the custodian and a report from the Depositary which confirms the existence of the Company's assets.
Recognition of Investment Income	The recognition of investment income is undertaken in accordance with accounting policy note 2(h) to the accounts on page 49.
Allocation of Management and Finance costs between Revenue and Capital	The Audit Committee reviewed the allocation based on the objectives of the Company, the expected returns from the portfolio and discussions with the investment managers. It was agreed that these costs would be allocated 65% to revenue and 35% to capital.

Going Concern

The Directors consider that it is more likely than not that the continuation vote will be passed at the 2018 AGM and thus that the Company will continue. The Directors therefore consider that it is appropriate for the financial statements to be prepared on the going concern basis of accounting. Nevertheless, because the outcome of a continuation vote is uncertain there remains a material uncertainty which may cast significant doubt as to the likelihood of the Company continuing as a going concern notwithstanding the current strong liquidity and solvency positions.

The Directors, through the Audit Committee, having assessed the Company's investment objective (see page 16), risk management policies (see pages 58 to 65), capital management policies and procedures (see page 66), the nature of the portfolio and cash flow projections, considered it appropriate to adopt the going concern basis of accounting in the preparation of the 2018 annual financial statements.

The Board recommends that shareholders vote in favour of the continuance resolution in view of the Company's future prospects as set out elsewhere in the document.

Risk Management and Internal Control

The Audit Committee also examines the effectiveness of the Company's risk management and internal control systems and receives information from the Manager's Compliance department. The Directors' statement on the Company's system of Risk

Management and Internal Control, which includes the actions of the Audit Committee, is set out on page 26.

Whistleblowing

The Committee is satisfied that the Manager has in place a whistleblowing framework through which employees of the Manager, including temporary workers and independent contractors, can make confidential disclosures concerning possible improprieties in matters of financial reporting or other matters, including matters that affect the Company.

Disclosures can be made directly to the Manager's Compliance team, or anonymously via reporting hotlines which are administered externally.

Auditor Objectivity and Independence

The Committee has implemented safeguards to ensure that the provision of non-audit services does not impair the external Auditors' objectivity or independence. Any significant non-audit services are carried out through a partner other than the audit engagement partner, who himself is rotated at appropriate intervals. All non-audit fees are approved by the Committee and an assessment of the safeguards is carried out on an annual basis.

Ernst & Young LLP are the Company's Auditors. They were appointed in March 2013 when the Company was launched. The Company's year ended 30th June 2018 is the current Audit Partner's fifth of a maximum of five year term.

Assessment of the Effectiveness of the External Audit Process

The Audit Committee has a primary responsibility for making recommendations to the Board on the reappointment and removal of external Auditors. Representatives of the Company's Auditors attended the Audit Committee meeting at which the draft Annual Report & Accounts were considered and also engage with Directors as and when required.

Having considered the external Auditors' performance, including their technical competence, strategic knowledge, the quality of work, communications and reporting, the Committee was satisfied with the effectiveness of the external audit process and considered it appropriate to recommend their reappointment. The Board supported this recommendation which will be put to shareholders at the forthcoming Annual General Meeting.

Fair, Balanced and Understandable

Having taken all available information into consideration and having discussed the content of the Annual Report and Accounts with the Manager and other third party service providers, the Committee has concluded that the Annual Report and Accounts for the year ended 30th June 2018 taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's performance, business model and strategy, and has reported these findings to the Board. The Board's conclusions in this respect are set out in the Statement of Directors' Responsibilities on page 34.

By order of the Board
Jonathan Latter
For and on behalf of
JPMorgan Funds Limited,
Company Secretary

12th October 2018

Directors’ Remuneration Report

Board presents the unaudited Directors' Remuneration Report for the year ended 30th June 2018.

Directors' Remuneration Policy

An ordinary resolution to approve the Directors' Remuneration Policy will be put to shareholders at the forthcoming Annual General Meeting. The Board has decided to seek shareholder approval annually. The policy subject to the vote is set out in full below and is currently in force.

The Board's policy for this and subsequent years is that Directors' fees should properly reflect the time spent by the Directors on the Company's business and the responsibilities of the role and should be at a level to ensure that candidates of a high calibre are recruited to the Board and retained. The Chairman of the Board and the Chairman of the Audit Committee are paid higher fees than the other Directors, reflecting the greater time commitment involved and responsibilities in fulfilling those roles.

Reviews are based on information provided by the Manager, and industry research carried out by third parties on the level of fees paid to the directors of the Company's peers and within the investment trust industry generally. The involvement of remuneration consultants has not been deemed necessary as part of this review. The Company has no Chief Executive Officer and no employees and therefore no consultation of employees is required and there is no employee comparative data to provide, in relation to the setting of the remuneration policy for Directors.

All of the Directors are non-executive. There are no performance-related elements to their fees and the Company does not operate any type of incentive share scheme, award or pension scheme and therefore no Directors receive bonus payments or pension contributions from the Company or hold options to acquire shares in the Company. Directors are not entitled to early termination payments and are not provided with compensation for loss of office. No other payments are made to Directors, other than the reimbursement of reasonable out-of-pocket expenses incurred in attending to the Company's business.

In the year under review, Directors' fees were paid at the following rates: Chairman £40,000; Chairman of the Audit Committee £35,000; and other Directors £30,000.

The Company's articles of association provide that any increase in the maximum aggregate annual limit on Directors' fees, currently £300,000, requires both Board and shareholder approval.

The Company has not sought shareholder views on its remuneration policy. The Remuneration and Nomination Committee considers any comments received from shareholders on remuneration policy on an ongoing basis and takes account of those views.

The terms and conditions of Directors' appointments are set out in formal letters of appointment which are available for review at the Company's Annual General Meeting and the Company's registered office. Details of the Board's policy on tenure are set out on page 24.

Directors' Remuneration Policy Implementation

The Directors' Remuneration Report, which includes details of the Directors' remuneration policy and its implementation, is subject to an annual advisory vote and therefore an ordinary resolution to approve this report will be put to shareholders at the forthcoming Annual General Meeting.

At the Annual General Meeting held on 30th November 2017, 100% of the votes cast were in favour on the Remuneration Policy and in favour of the Remuneration Report.

Details of voting on both the Remuneration Policy and the Directors' Remuneration Report from the 2018 Annual General Meeting will be given in the annual report for the year ending 30th June 2019.

Details of the implementation of the Company's remuneration policy are given below.

Chairman's Annual Statement on Directors' Remuneration

The Board has reviewed Directors' remuneration and considers that the current level of remuneration is appropriate. No additional discretionary payments were made in the year.

Single Total Figure of Remuneration

The single total figure of remuneration for each Director is detailed below.

Single total figure table[1]

	Total fees 2018 £	Total fees 2017 £
Simon Miller	40,000	40,000
Philip Taylor	35,000	35,000
Charlotte Valeur	30,000	30,000
Paul Meader	30,000	30,000
Gailina Liew[2]	28,644	–
Total	163,644	135,000

[1] Directors' remuneration comprises a directorship fee only. Directors are also reimbursed for out of pocket expenses incurred in attending the Company's business.

[2] Appointed 19th July 2017.

Directors' Shareholdings

There are no requirements pursuant to the Company's Articles of Incorporation for the Directors to own shares in the Company. However, the Directors have acquired shares on their own account. Their beneficial shareholdings are detailed below.

Directors' Name	30th June 2018	30th June 2017
Simon Miller	25,000	25,000
Philip Taylor	104,136	104,136
Charlotte Valeur	25,000	25,000
Paul Meader	30,000	30,000
Gailina Liew	–	–
Total	184,136	184,136

Expenditure by the Company on Remuneration and Distributions to Shareholders

	30th June 2018 £	30th June 2017 £
Remuneration paid to all Directors	163,644	135,000
Distribution to shareholders – by way of dividend	7,643,000	8,762,000

By order of the Board
Jonathan Latter
For and on behalf of
JPMorgan Funds Limited,
Company Secretary

12th October 2018

Statement of Directors’ Responsibilities

The Directors are responsible for preparing the Annual Report and Financial Statements in accordance with applicable laws and regulations.

Guernsey company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted in the European Union. The financial statements are required by law to give a true and fair view of the state of affairs of the Company and of the financial performance of the Company for that period. International Accounting Standard 1 requires that financial statements present fairly for each financial year the Company's financial position, financial performance and cash flows. This requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the International Accounting Standards Board's 'Framework for the preparation and presentation of financial statements'. In virtually all circumstances, a fair presentation will be achieved by compliance with all applicable IFRSs.

In preparing these financial statements, the Directors are required to:

- properly select and apply accounting policies and then apply them consistently;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance;
- make an assessment of the Company's ability to continue as a going concern;
- state that the Company has complied with IFRSs, subject to any material departures disclosed and explained in the financial statement; and
- make judgements and estimates that are reasonable and prudent.

Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and which enable them to ensure that the financial statements comply with the Companies (Guernsey) Law, 2008. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for ensuring that the Company complies with the provisions of the Listing Rules and the Disclosure Guidance & Transparency Rules of the UK Listing Authority which, with regard to Corporate Governance, require the Company to disclose how it has applied the principles, and complied with the provisions, of the UK Corporate Governance Code applicable to the Company.

In the case of each of the persons who are Directors of the Company at the time when this report was approved:

(a) so far as each of the Directors is aware, there is no relevant audit information of which the Company's auditor is unaware, and

(b) each of the Directors has taken all the steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information (as defined) and to establish that the Company's auditor is aware of that information.

The Directors of the Company, who are listed on page 20, each confirm to the best of their knowledge that:

- the financial statements, which have been prepared in accordance with IFRS as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company;
- this annual report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces; and
- this annual report and financial statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy.

For and on behalf of the Board
Philip Taylor
Director

12th October 2018

Independent Auditor’s Report

To the Members of JPMorgan Global Convertibles Income Fund Limited

Opinion

We have audited the financial statements of JPMorgan Global Convertibles Income Fund Limited (the 'Company') for the year ended 30th June 2018 which comprise Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Financial Position, Statement of Cash Flows and the related notes 1 to 27, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards as adopted by the European Union.

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30th June 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union; and
- have been properly prepared in accordance with the requirements of the Companies (Guernsey) Law, 2008.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 2(c) in the financial statements, which indicates that the Company is subject to a continuation vote at its forthcoming Annual General Meeting on 14th November 2018, whereby shareholders must pass an ordinary resolution for the continuation of the Company. There is a material uncertainty that the shareholders might not vote in the favour of continuance. As stated in note 2(c), these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Conclusions relating to principal risks, going concern and viability statement

Aside from the impact of the matters disclosed in the material uncertainty related to going concern section, we have nothing to report in respect of the following information in the annual report, in relation to which the ISAs (UK) require us to report to you whether we have anything material to add or draw attention to:

- the disclosures in the annual report on pages 17 and 18 that describe the principal risks and explain how they are being managed or mitigated;
- the Directors' confirmation on page 17 in the annual report that they have carried out a robust assessment of the principal risks facing the entity, including those that would threaten its business model, future performance, solvency or liquidity;
- whether the Directors' statement in relation to going concern required under the Listing Rules in accordance with Listing Rule 9.8.6R(3) is materially inconsistent with our knowledge obtained in the audit; or
- the Directors' explanation on page 18 in the annual report as to how they have assessed the prospects of the entity, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the entity will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Overview of our audit approach

Key audit matters	• Incomplete or inaccurate income recognition through incorrect amortisation of premium/discount on debt instruments; failure to recognise proper income entitlements or apply appropriate accounting treatment; and • Incorrect valuation and existence of the investment portfolio.
Materiality	• Overall materiality of £1.48 million (2017: £1.86 million) which represents 1% (2017: 1%) of shareholders' funds.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the material uncertainty related to going concern section, we have determined the matters below to be the key audit matters to be communicated in our report.

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Incomplete or inaccurate income recognition through incorrect amortisation of premium/discount on debt instruments; failure to recognise proper income entitlements or apply appropriate accounting treatment (as described on page 28 in the Audit Committee Report). Investment income for the year to 30th June 2018 was £8.27 million (2017: £10.28 million) as disclosed in note 5 to the financial statements. The Company's accounting policy is to recognise dividend income on an ex-dividend basis and fixed interest income on an accrual basis which takes account of the amortisation of any discount or premium arising on the purchase price, compared to the final maturity value, over the remaining life of the security. If the Company is not entitled to receive the dividend or interest income recognised in the financial statements, or the income recognised does not relate to the current financial year, this will impact the extent of the profits available to fund dividend distributions to shareholders. In addition, amortisation of discount or premium on fixed interest investments involves a manual element and therefore the opportunity to manipulate this arises. Given these, we considered there to be a fraud risk, in accordance with Auditing Standards.	We have performed the following procedures: We obtained an understanding of the Administrator's processes and controls surrounding revenue recognition by reviewing the Service Organisation Control (SOC) reports and by performing our walkthrough procedures; We traced, for a sample of fixed interest receipts, the coupon rates of interest from independent sources and recalculated the interest income based on the holdings of the respective security; We tested a sample of transactions to ensure that the discount or premium on the debt instruments have been amortised accurately in accordance with the accounting policy; We analysed the credit ratings of the debt securities in the portfolio for evidence of distressed securities for which income should not be recognised; We agreed a sample of dividend receipts to the corresponding announcement made by the investee company, recalculated the dividend amount received and agreed cash received to bank statements; We agreed a sample of investee company dividend announcements from an independent source to the income recorded by the Company; and For all dividends accrued at the year end, we reviewed the investee company announcements to assess whether the dividend obligation arose prior to 30th June 2018. We agreed the dividend rate to corresponding announcements made by the investee company, recalculated the dividend amount receivable and agreed cash received to post year end bank statements.	We have no issues to communicate with respect to our assessment of Administrator's processes and controls surrounding revenue recognition. For a sample of fixed income securities, we noted no issues in tracing the coupon rates of interest from independent sources and recalculating the interest income based on the holdings of the respective security. We noted no issues in testing a sample of transactions to ensure that the discount or premium on the debt instruments have been amortised accurately in accordance with the accounting policy; We noted no issues in our analysis of the credit ratings of the debt securities in the portfolio for evidence of distressed securities for which income should not be recognised. We noted no issues in agreeing the sample of dividend receipts to an independent source, recalculating these amounts and agreeing them to the bank statements. We noted no issues in agreeing the sample of investee company announcements to the income entitlements recorded by the Company. We noted no issues in recalculating the accrued dividends, agreeing, where possible, to post year end bank statements, and confirming that the income obligation arose prior to 30th June 2018.

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Incorrect valuation and existence of the investment portfolio (as described on page 28 in the Audit Committee Report). The valuation of the assets held in the investment portfolio is the key driver of the Company's investment return. The value of the Company's investment portfolio at 30th June 2018 was £149.98 million (2017: £185.01 million) and consist predominantly of quoted debt securities (movements in the investment portfolio are shown in Note 12 to the financial statements). Incorrect valuation of the assets or a failure to maintain proper legal title of the assets held by the Company could have a significant impact on the portfolio valuation and, therefore, the return generated for shareholders and the net asset value.	We performed the following procedures: We obtained an understanding of Administrator's processes and controls surrounding the investment valuation and trade pricing process, by reviewing the SOC reports and by performing our walkthrough procedures; We obtained independent prices for 100% of the listed assets held in the Company's investment portfolio and assessed any differences between the prices obtained and those quoted by the Company; We tested 100% of the exchange rates used to translate the year-end valuation of non-sterling securities in the portfolio to an independent source; and In order to validate that appropriate legal title is held for all assets in the portfolio, we have independently obtained a confirmation from the Company's custodian of the assets held as at 30th June 2018. We have also obtained an independent confirmation of the legal title of assets recorded by the Depositary as at 30th June 2018.	The results of our procedures are: We have no matters to communicate with respect to our review of the process in relation to the investment pricing process. We noted no issues while agreeing 100% of prices used in the valuation of the investment portfolio and exchange rates to a relevant independent source. We noted no issues in reviewing the liquidity of a sample of investments to validate that the quoted price remains an appropriate basis upon which to calculate fair value. We noted no issues agreeing all securities held at year-end in the Company's records to those of the Custodian and Depositary.

An overview of the scope of our audit

Tailoring the scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for the Company. This enables us to form an opinion on the financial statements. We take into account size, risk profile, the organisation of the Company and effectiveness of controls, including controls and changes in the business environment when assessing the level of work to be performed.

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the Company to be £1.48 million (2017: £1.86 million), which is 1% (2017: 1%) of shareholders' Funds. We believe that shareholders' funds provides us with materiality aligned to the key measurement of the Company's performance.

Performance materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Company overall control environment, our judgement was that performance materiality was 75% (2017: 75%) of our planning materiality, namely £1.11 million (2017: £1.39 million). We have set performance materiality at this percentage due to our past experience of the audit that indicates a lower risk of misstatements, both corrected and uncorrected.

Given the importance of the distinction between revenue and capital for the Company we also applied a separate testing threshold of £0.34 million (2017: £0.44 million) for the revenue column of the Income Statement being 5% of revenue profit before tax.

Reporting threshold

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of £0.07 million (2017: £0.09 million), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

Other information

The other information comprises the information included in the annual report on pages 1 to 34 other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

In this context, we also have nothing to report in regard to our responsibility to specifically address the following items in the other information and to report as uncorrected material misstatements of the other information where we conclude that those items meet the following conditions:

- **Fair, balanced and understandable (set out on page 29)** – the statement given by the Directors that they consider the annual report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy, is materially inconsistent with our knowledge obtained in the audit; or
- **Audit committee reporting (set out on pages 28 and 29)** – the section describing the work of the audit committee does not appropriately address matters communicated by us to the audit committee; or
- **Directors' statement of compliance with the UK Corporate Governance Code (set out on pages 23 to 27)** – the parts of the Directors' statement required under the Listing Rules relating to the Company's compliance with the UK Corporate Governance Code containing provisions specified for review by the auditor in accordance with Listing Rule 9.8.10R(2) do not properly disclose a departure from a relevant provision of the UK Corporate Governance Code.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies (Guernsey) Law, 2008 requires us to report to you if, in our opinion:

- proper accounting records have not been kept by the Company; or
- the financial statements are not in agreement with the Company's accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement set out on page 34, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Section 262 of the Companies (Guernsey) Law, 2008. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Andrew Dann
for and on behalf of
Ernst & Young LLP
Guernsey

12th October 2018

Notes:

[1] The maintenance and integrity of the JPMorgan Global Convertibles Income Fund Limited web site is the responsibility of the Directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.

[2] Legislation in Guernsey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Financial Statements

FOR THE YEAR ENDED 30TH JUNE 2018

	Notes	2018 Revenue £'000	2018 Capital £'000	2018 Total £'000	2017 Revenue £'000	2017 Capital £'000	2017 Total £'000
Investments held at fair value through profit and loss:							
(Losses)/gains on investments held at fair value through profit or loss	4	–	(4,721)	(4,721)	–	15,331	15,331
Income from investments	5	8,220	–	8,220	10,253	–	10,253
Gains/(losses) on financial instruments:							
Realised losses on close out of futures and options contracts		–	(448)	(448)	–	(231)	(231)
Unrealised losses on futures and options contracts		–	(478)	(478)	–	–	–
Realised foreign currency gains/(losses) on foreign currency contracts		–	1,929	1,929	–	(6,029)	(6,029)
Unrealised foreign currency (losses)/gains on foreign currency contracts		–	(1,099)	(1,099)	–	271	271
Realised foreign currency (losses)/gains		–	(52)	(52)	–	60	60
Unrealised foreign currency gains/(losses)		–	248	248	–	(436)	(436)
Other income	5	54	–	54	31	–	31
Total income/(loss)		**8,274**	**(4,621)**	**3,653**	**10,284**	**8,966**	**19,250**
Management fee	6	(838)	(451)	(1,289)	(948)	(510)	(1,458)
Other administrative expenses	7	(417)	–	(417)	(468)	–	(468)
Profit/(loss) before finance costs and taxation		**7,019**	**(5,072)**	**1,947**	**8,868**	**8,456**	**17,324**
Finance costs	8	(255)	(137)	(392)	(205)	(110)	(315)
Profit/(loss) before taxation		**6,764**	**(5,209)**	**1,555**	**8,663**	**8,346**	**17,009**
Taxation	9	(287)	–	(287)	(242)	–	(242)
Net profit/(loss)		**6,477**	**(5,209)**	**1,268**	**8,421**	**8,346**	**16,767**
Earnings/(loss) per share	10	**3.81p**	**(3.06)p**	**0.75p**	**4.33p**	**4.29p**	**8.62p**

Details of dividends paid and proposed are given in note 11 on page 52.

Earnings per share is based on the weighted average number of shares in issue during the year.

The Company does not have any income or expense that is not included in net profit for the year. Accordingly the 'Net profit for the year' is also the 'Total comprehensive income for the year', as defined in IAS 1 (revised).

The 'Total' column of this statement is the profit and loss account of the Company prepared in accordance with IFRS. The 'Revenue' and 'Capital' columns represent supplementary information prepared under guidance issued by the Association of Investment Companies.

All items in the above statement derive from continuing operations. No operations were acquired or discontinued in the year.

The notes on pages 47 to 66 form an integral part of these financial statements.

FOR THE YEAR ENDED 30TH JUNE 2018

	Share capital £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
At 30th June 2016	**217,368**	**(28,794)**	**64**	**188,638**
Repurchase of shares into Treasury	–	(10,823)	–	(10,823)
Profit for the year	–	8,346	8,421	16,767
Dividends paid in the year (note 11)	–	–	(8,762)	(8,762)
At 30th June 2017	**217,368**	**(31,271)**	**(277)**	**185,820**
Repurchase of shares into Treasury	–	(31,182)	–	(31,182)
(Loss)/profit for the year	–	(5,209)	6,477	1,268
Dividends paid in the year (note 11)	–	–	(7,643)	(7,643)
At 30th June 2018	**217,368**	**(67,662)**	**(1,443)**	**148,263**

The notes on pages 47 to 66 form an integral part of these financial statements.

AT 30TH JUNE 2018

	Notes	2018 £'000	2017 £'000
Non current assets			
Investments held at fair value through profit or loss	12	149,978	185,007
Current assets			
Derivative financial assets	13	1,708	763
Trade and other receivables	14	3,037	1,702
Cash and cash equivalents	14	12,549	16,683
		17,294	19,148
Current liabilities			
Derivative financial liabilities	15	(1,161)	(492)
Trade and other payables	16	(2,699)	(2,446)
Net current assets		13,434	16,210
Total assets less current liabilities		163,412	201,217
Non current liabilities			
Loans payable	17	(15,149)	(15,397)
Net assets		148,263	185,820
Amounts attributable to equity holders			
Share capital	18	217,368	217,368
Capital reserve	19	(67,662)	(31,271)
Revenue reserve	19	(1,443)	(277)
Total shareholders' funds		148,263	185,820
Net asset value per share	20	97.5p	100.9p

The financial statements on pages 43 to 66 were approved by the Directors and authorised for issue on 12th October 2018 and are signed on their behalf by:

Philip Taylor
Director

The notes on pages 47 to 66 form an integral part of these financial statements.

Incorporated in Guernsey with the company registration number: 56625.

FOR THE YEAR ENDED 30TH JUNE 2018

	Notes	2018 £'000	2017 £'000
Operating activities			
Profit before taxation		1,555	17,009
Deduct dividends received		(940)	(768)
Deduct investment income – interest received		(7,280)	(9,485)
Deduct bank interest received		(54)	(31)
Add back interest paid		392	315
Add back losses/(deduct gains) on investments held at fair value through profit or loss		4,721	(15,331)
Decrease/(increase) in unrealised gains on foreign currency contracts		1,370	(9,346)
Increase in unrealised gains on future and option contracts		(1,646)	(41)
Decrease in cash held as collateral by Brokers for futures		–	169
(Decrease)/increase in unrealised losses on foreign currency		(248)	436
Effect of decrease/(increase) in trade and other receivables		9	(3)
Effect of increase/(decrease) in trade and other payables		9	(55)
Net cash outflow from operating activities before interest, taxation and dividends		**(2,112)**	**(17,131)**
Taxation		(287)	(242)
Interest paid		(350)	(299)
Dividends received		926	796
Investment income – interest		4,326	5,545
Bank interest received		48	31
Net cash inflow/(outflow) from operating activities after interest, taxation and dividends		**2,551**	**(11,300)**
Investing activities			
Purchases of investments held at fair value through profit or loss		(113,425)	(236,907)
Sales of investments held at fair value through profit or loss		147,834	279,160
Net cash inflow from investing activities		**34,409**	**42,253**
Financing activities			
Repurchase of shares into Treasury		(33,451)	(8,528)
Dividends paid		(7,643)	(8,762)
Net cash outflow from financing activities		**(41,094)**	**(17,290)**
(Decrease)/increase in cash and cash equivalents		(4,134)	13,663
Cash and cash equivalents at the start of the year		16,683	3,020
Cash and cash equivalents at the end of the year		**12,549**	**16,683**

The notes on pages 47 to 66 form an integral part of these financial statements.

FOR THE YEAR ENDED 30TH JUNE 2018

1. Principal Activity

The Company is a closed-ended investment company incorporated in accordance with the Companies (Guernsey) Law, 2008. The principal activity of the Company is investing in a globally diversified portfolio of high-yielding convertible securities as set out in the Company's Objective and Investment Policies.

2. Basis of Preparation

(a) Statement of compliance

The Company's financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS'), which comprise standards and interpretations approved by the International Accounting Standards Board ('IASB'), the International Accounting Standards and Standing Interpretations Committee and interpretations approved by the International Accounting Standards Committee ('IASC') that remain in effect and to the extent that they have been adopted by the European Union ('EU').

(b) Basis of accounting

These financial statements have been prepared on a going concern basis in accordance with IAS 1, applying the historical cost convention, except for the measurement of financial assets including derivative financial instruments designated as held at fair value through profit or loss ('FVTPL') and that have been measured at fair value.

The principal accounting policies adopted are set out below. Where presentational guidance is set out in the Statement of Recommended Practice ('SORP') for investment companies issued by the Association of Investment Companies ('AIC') in November 2014 and updated in January 2017 is consistent with the requirements of IFRS, the Directors have sought to prepare the financial statements on a basis compliant with the recommendations of the SORP, where relevant.

All of the Company's operations are of a continuing nature.

(c) Going Concern

The Directors consider that it is more likely than not that the continuation vote will be passed at the 2018 AGM and thus that the Company will continue. The Directors therefore consider that it is appropriate for the financial statements to be prepared on the going concern basis of accounting. Nevertheless, because the outcome of a continuation vote is uncertain there remains a material uncertainty which may cast significant doubt as to the likelihood of the Company continuing as a going concern notwithstanding the current strong liquidity and solvency positions.

The financial statements have been prepared on a going concern basis. In assessing the going concern basis of accounting, the Directors have had regard to the guidance issued by the Financial Reporting Council in October 2009. After making enquiries, and bearing in mind the nature of the Company's business and assets, the Directors consider that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

The Board recommends that shareholders vote in favour of the continuance resolution in view of the Company's future prospects as set out elsewhere in the document.

(d) Presentation of the Statement of Comprehensive Income

In order to reflect the activities of the closed-ended investment company and in accordance with guidance issued by the AIC, supplementary information which analyses the Statement of Comprehensive Income between items of a revenue nature and a capital nature have been presented alongside the Statement of Comprehensive Income.

(e) Adoption of New and Revised Standards

These standards and amendments are relevant to the Company, however are currently not expected to have a significant impact on the amounts reported in the financial statements. No new standards were adopted in the current year.

New and amended standards and interpretations effective at 1st July 2017 but which had no impact on the Company's operations:

- Amendments to IAS 7 – Disclosure initiative (effective for accounting periods beginning on or after 1st January 2017).

2. Basis of Preparation *continued*

(e) Adoption of New and Revised Standards *continued*

New standards, amendments and interpretations issued but not effective for the current financial year:

- IFRS 9 – Financial Instruments (effective for annual periods beginning on or after 1st January 2018).

IFRS 9 replaces IAS 39 Financial Instruments: Recognition and Measurement and addresses the classification, measurement and recognition of financial assets and financial liabilities.

IFRS 9 requires financial assets to be classified into two measurement categories: those measured at fair value and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains many of the IAS 39 requirements.

It is expected that all of the Company's financial instruments will continue to be measured at fair value through profit and loss, as permitted under IFRS 9. Accordingly, IFRS 9 is expected to have a negligible impact on the Company's financial statements.

(f) Financial Instruments – Investments

Financial instruments are recognised and derecognised on the trade date where a purchase or sale is under a contract whose terms require delivery within a timeframe established by the market concerned.

Financial instruments are designated upon initial recognition as held at fair value through profit or loss ('FVTPL') at inception because they are managed and their performance is evaluated on a fair value basis and information thereon is evaluated by the Directors of the Company on a fair value basis. At subsequent reporting dates, investments are valued at fair values which are quoted bid market prices for investments traded in active markets.

Changes in the fair value of financial instruments 'FVTPL' and 'gains or losses on disposal' are included in the capital column of the Statement of Comprehensive Income within 'Gains or losses on investments held at fair value through profit or loss'. Transaction costs incurred on the acquisition and disposal of investments measured at fair value through profit or loss are also included within this column.

Financial instruments traded over the counter that are freely transferable will be valued using an independent reporting system (markit) or, if not quoted on such a system, using prices obtained from at least two of the principal market makers in such securities. The decision as to what price to use in such instances is determined on an ad-hoc basis.

With respect to financial instruments other than those specified above, the valuation will be determined in accordance with established valuation procedures, such as the use of independent pricing sources if available. If independent pricing sources are not available, the fair value of such securities or assets will be determined using the issuer's financial strength and stability, the issuer's operating performance, strength of the issuer's management team, the Company's expected exit from the investment and any specific rights or restrictions associated with such investment.

Gains and losses on sales of investments, increases and decreases in the valuation of investments held at the year end, foreign exchange gains and losses and other capital receipts and payments are dealt with in capital reserve.

(g) Derivatives

Derivative instruments are measured at fair value in the Statement of Financial Position.

Forward currency contracts entered into for hedging exposures are valued at the appropriate forward exchange rate ruling at the balance sheet date and any profits and losses are recognised in the Statement of Comprehensive Income and taken to capital reserve.

Futures contracts entered into for hedging exposures are valued at fair value at the quoted trade price of the contract and any profits and losses on the closure or revaluation of positions are recognised in the Statement of Comprehensive Income and taken to capital reserve.

The Company does not apply hedge accounting.

(h) Income

Interest from non-convertible fixed interest debt securities is recognised on an accruals basis taking account of the amortisation of any discount or premium arising on the purchase price, compared to the final maturity value, over the remaining life of the security. Where income arises from convertible fixed interest securities it is also calculated on the amortisation basis but is based on the present value of the bond element of the security at acquisition. Future cash flows on all assets are considered when calculating revenue on an amortisation basis and where in the director's view there is a doubt as to the final maturity value, an estimate of the final redemption proceeds will be made in determining those cash flows. Accrued interest purchased or sold is excluded from the cost of the security and is dealt with in the revenue column of the Statement of Comprehensive Income.

Dividends receivable from equity shares are included in the revenue column of the Statement of Comprehensive Income on an ex-dividend basis except where, in the opinion of the Directors, the dividend is capital in nature, in which case it is included in the capital column.

Deposit interest receivable is recognised in the revenue column on an accruals basis.

(i) Expenses and Finance costs

All expenses are accounted for on an accruals basis and are recognised in the Statement of Comprehensive Income.

Management fees and finance costs are allocated 35% to capital and 65% to revenue in accordance with the Board's expected long-term split of returns, in the form of capital gains and income respectively, from the investment portfolio. Except for custodian dealing costs (included within other capital charges in note 4), all other expenses are charged through revenue.

(j) Cash and cash equivalents

Cash and cash equivalents comprise cash and demand deposits which are readily convertible to a known amount of cash and are subject to insignificant risk of changes in value. Liquidity funds are considered cash equivalents as they are held for cash management purposes as an alternative to cash.

(k) Bank loans

Bank loans are classified as financial liabilities measured at amortised cost. Interest payable on bank loans is accounted for on an effective interest basis in the Statement of Comprehensive Income.

(l) Other receivables

Other receivables are non interest bearing, short term in nature and are accordingly stated at nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

(m) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board. The Directors are of the opinion that the Company is engaged in a single segment of business, being investments in convertible securities. The Directors manage the business in this way.

(n) Taxation

The Company has been granted exemption from Guernsey Income Tax under the Income Tax (Exempt Bodies) (Guernsey) Ordinance, 1989, and is charged an annual fee of £1,200.

Overseas interest and dividends are shown gross of withholding tax and the corresponding irrecoverable tax is shown as a charge in the Statement of Comprehensive Income.

2. Basis of Preparation *continued*

(o) Foreign currency

Functional and Presentation Currency

The Company's presentation currency for the financial statements is sterling. The Directors have also exercised their judgement to determine that this is the Company's functional currency on the basis that sterling is the currency of the primary economic environment in which the Company operates, as demonstrated by the Company's share capital, expenses, proposed dividend payments and hedging policy.

Transactions and Balances

Transactions in foreign currency, whether of a capital or revenue nature, are translated to sterling at the rate of exchange ruling on the date of such transactions. Foreign currency monetary assets and liabilities are translated to sterling at the rates of exchange ruling at the balance sheet date. All profits and losses, whether realised or unrealised, are recognised in the Statement of Comprehensive Income and are taken to capital reserve or revenue reserve, depending on whether the gain or loss is capital or revenue in nature.

(p) Share issue costs

The costs of issuing shares are included directly in equity.

(q) Share repurchase

The cost of repurchasing shares including the related stamp duty and transaction costs is charged to capital reserves and dealt with in the Statement of Changes in Equity. Share repurchase transactions are accounted for on a trade date basis. If shares are repurchased for cancellation, the nominal value of the repurchased shares is deducted from share capital.

3. Significant accounting judgements and estimates

The preparation of the financial statements requires the Company to make estimations where uncertainty exists. It also requires the Company to exercise judgement in the process of applying the accounting policies. The following areas are considered to contain critical accounting estimates and may involve a higher degree of judgement or complexity:

Fair value of financial instruments and derivatives

The Directors use their judgement in selecting an appropriate valuation technique for financial instruments and derivatives. Details of the valuation techniques used by the Company are given in notes 2(f) and 2(g). Inputs into the valuation techniques may require estimation if they are not observable (i.e. are level 2 or 3, see note 24).

Premium of the conversion option

As outlined in note 2(h), interest is recognised on an accruals basis to take into account any discount or premium arising on the purchase of convertible or non-convertible fixed interest debt securities. This 'Amortisation adjustment' is shown in note 12.

With convertible fixed interest debt securities, the premium of the conversion option is calculated as the difference between the convertible fixed interest debt security and a similar non-convertible fixed interest debt security. Identification of similar non-convertible fixed interest debt securities is a matter of judgement.

Expense allocation between revenue and capital

The Directors have used their judgement with respect to the allocation of management fees and finance costs between capital and revenue. This allocation is based on an estimate of the expected long-term split of returns from the investment portfolio (see note 2(i)). The allocation policy is reviewed periodically by the Board.

The Directors do not believe that any other accounting judgements and estimates have been applied to this set of financial statements that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

4. (Losses)/gains on investments held at fair value through profit or loss

	2018 £'000	2017 £'000
Gains on investments held at fair value through profit or loss	574	27,261
Net movement in investment holding gains and losses	(5,283)	(11,921)
Other capital charges	(12)	(9)
Total (losses)/gains on investments held at fair value through profit or loss	**(4,721)**	**15,331**

5. Income

	2018 £'000	2017 £'000
Investment income		
Investment income – interest	7,280	9,485
Overseas dividends	940	768
	8,220	**10,253**
Other income		
Deposit interest	3	1
Interest from liquidity fund	51	30
Total income	**8,274**	**10,284**

6. Management fee

	2018			2017		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Management fee	838	451	1,289	948	510	1,458

Details of the management fee are given in the Directors' Report on page 21.

7. Other administrative expenses

	2018 £'000	2017 £'000
Other administration expenses	235	245
Directors' fees[1]	164	135
Auditor's remuneration for audit services	35	34
Depositary fees	21	36
Savings scheme costs[2]	(38)	18
	417	**468**

[1] Full disclosure is given in the Directors' Remuneration Report on page 32.

[2] These amounts were (refunded by)/paid to the manager for the administration of saving scheme products.

8. Finance costs

	2018 Revenue £'000	2018 Capital £'000	2018 Total £'000	2017 Revenue £'000	2017 Capital £'000	2017 Total £'000
Bank overdrafts	2	1	3	1	–	1
Bank loan interest	253	136	389	204	110	314
	255	**137**	**392**	**205**	**110**	**315**

9. Taxation

As a Guernsey investment company no tax is payable on capital gains and, as the Company principally invest in assets which do not result in a revenue tax, the only overseas tax arises on the few assets domiciled in countries with which Guernsey has no double-taxation treaty.

The overseas tax charge consists of irrecoverable withholding tax.

10. Earnings/(loss) per share

	2018 £'000	2017 £'000
Earnings/(loss) per share is based on the following:		
Revenue return	6,477	8,421
Capital (loss)/return	(5,209)	8,346
Total return	**1,268**	**16,767**
Weighted average number of shares in issue during the year used for the purpose of the calculation	170,230,486	194,513,155
Revenue return per share	3.81p	4.33p
Capital (loss)/return per share	(3.06)p	4.29p
Total return per share	**0.75p**	**8.62p**

11. Dividends

	2018 £'000	2017 £'000
Dividends paid		
2017 Fourth interim dividend 1.125p (2016: 1.125p) per share	1,987	2,196
2018 First interim dividend of 1.125p (2017: 1.125p) per share	1,969	2,195
2018 Second interim dividend of 1.125p (2017: 1.125p) per share	1,874	2,195
2018 Third interim dividend of 1.125p (2017: 1.125p) per share	1,813	2,176
Total dividends paid in the year	**7,643**	**8,762**
Dividend proposed		
2018 Fourth interim dividend proposed of 1.125p (2017: 1.125p)	1,711	1,987

Dividend payments in excess of the revenue amount will be paid out of Company's capital reserves.

12. Investments held at fair value through profit or loss

	2018 £'000	2017 £'000
Investments listed on a recognised stock exchange	**149,978**	**185,007**

	2018 £'000	2017 £'000
Opening book cost	181,444	185,642
Opening investment holding gains	3,563	15,485
Opening valuation	185,007	201,127
Movements in the year:		
Purchases at cost	115,896	235,868
Sales proceeds	(149,459)	(271,290)
Gains on investments held at fair value through profit or loss	574	27,261
Amortisation Adjustment	3,243	3,962
Net movement in investment holding losses	(5,283)	(11,921)
Closing valuation	**149,978**	**185,007**
Closing book cost	151,697	181,444
Closing investment holding (losses)/gains	(1,719)	3,563
Closing valuation	**149,978**	**185,007**

Transaction costs on purchases during the year amounted to £14,000 (2017: £9,000) and on sales during the year amounted to £1,000 (2017: £nil). These costs comprise mainly brokerage commission.

13. Derivative financial assets

	2018 £'000	2017 £'000
ASCOTs[1]	1,646	–
Forward foreign currency and spot contracts[2]	62	763
	1,708	**763**

[1] Asset Swapped Convertible Option Transaction (please refer to the Glossary of Terms and Alternative Performance Measures on page 75). Represents 8 ASCOT contracts which have a book cost of £2,124,000 and a market value at 30th June 2018 of £1,646,000 resulting in an unrealised loss of £478,000.

[2] Represents five GBP sale forward currency contracts with a notional exposure of £3,137,000 and two GBP buy forward currency contracts with a notional exposure of £7,212,000.

Further details are given in notes 24 and 25.

14. Current assets

Trade and other receivables

	2018 £'000	2017 £'000
Securities sold awaiting settlement	2,166	553
Prepayments and accrued income	871	1,149
	3,037	1,702

The Directors consider that the carrying amount of other receivables approximates to their fair value.

Cash and cash equivalents

Cash and cash equivalents comprises bank balances, liquidity funds and short term bank deposits held by the Company. The carrying amount of these represents their fair value.

	2018 £'000	2017 £'000
JPM Sterling Liquidity Fund	12,253	16,402
Cash at bank	296	281
	12,549	16,683

15. Derivative financial liabilities

	2018 £'000	2017 £'000
Forward foreign currency contracts[1]	1,161	492
	1,161	492

[1] Represents one GBP sale forward currency contract with a notional exposure of £969,000, two GBP sale spot contracts with a notional exposure of £545,000 and nine GBP buy forward currency contracts with a notional exposure of £113,549,000.

Further details are given in notes 23 and 24.

16. Creditors: amounts falling due within one year

	2018 £'000	2017 £'000
Securities purchased awaiting settlement	2,471	–
Fixed loan interest	118	76
Other creditors	84	75
Repurchase of the Company's shares for future settlement	26	2,295
	2,699	2,446

The Directors consider that the carrying amount of other payables approximates to their fair value.

17. Loans payable

	2018 £'000	2017 £'000
Floating rate loan facility	15,149	15,397

As at 30th June 2018, the Company had a US$32 million loan facility with Scotiabank (Europe) Limited in place, expiring on 2nd July 2018. The loan was renewed on 2nd July 2018 and will expire on 1st July 2019.

Under the terms of the facility the Company may draw down up to US$32 million at an interest rate of LIBOR as quoted in the market for the loan period, plus a margin. At the year end, the Company had US$20 million (2017: US$20 million) drawn down on this facility with Scotiabank.

18. Share capital

Authorised share capital

Unlimited number of shares at no par value.

Allotted and fully-paid share capital

	2018 £'000	2017 £'000
Opening balance of 216,841,795 (2017: 216,841,795) shares including 32,650,004 (2017: 21,654,090) shares held in Treasury	217,368	217,368
Repurchase of 32,060,128 (2017: 10,995,914) ordinary shares into Treasury	–	–
Closing balance[1]	**217,368**	**217,368**

[1] Represented by 216,841,795 (2017: 216,841,795) shares including 64,710,132 (2017: 32,650,004) shares held in Treasury.

Share capital transactions

The ordinary shares carry the right to receive all dividends declared by the Company, are entitled to all the surplus assets of the Company on a winding up and hold all rights to vote in the Annual General Meeting of shareholders.

During the year 32,060,128 (2017: 10,995,914) ordinary shares were repurchased into Treasury at a cost of £31,182,000 (2017: £10,823,000).

19. Reserves

	2018		2017	
	Capital reserve[1] £'000	Revenue reserve £'000	Capital reserve[1] £'000	Revenue reserve £'000
Opening balance	(31,271)	(277)	(28,794)	64
Net (loss)/profit	(5,209)	6,477	8,346	8,421
Repurchase of shares into Treasury	(31,182)	–	(10,823)	–
Dividends paid in the year	–	(7,643)	–	(8,762)
Closing balance	**(67,662)**	**(1,443)**	**(31,271)**	**(277)**

[1] The capital reserve comprises gains and losses on sales of investments and holding gains and losses on investments held at the year end and is also used to finance share repurchases into Treasury.

20. Net asset value per share

	2018	2017
Net assets (£'000)	148,263	185,820
Number of shares in issue	152,131,663	184,191,791
Net asset value per share	**97.5p**	**100.9p**

21. Reconciliation of financial liabilities

	2017 £'000	Transactions in the year £'000	Cashflow payments £'000	Foreign exchange gain £'000	2018 £'000
Floating rate loan facility	15,397	–	–	(248)	15,149
Repurchase of the Company's shares for future settlement	2,295	31,182	(33,451)	–	26
Dividends paid to shareholders	–	7,643	(7,643)	–	–
Closing net funds	**17,692**	**38,825**	**(41,094)**	**(248)**	**15,175**

22. Contingent liabilities and capital commitments

There were no contingent liabilities or capital commitments at the balance sheet date (2017: £nil). The fund holds an outstanding commitment to purchase shares in Premier Oil through a Warrant (2017: none).

23. Transactions with the Manager and related parties

Details of the management contract are set out in the Directors' Report on page 21. The management fee payable to Manager by the Company for the year was £1,289,000 (2017: £1,458,000) of which £nil was outstanding at the year end. In addition £38,000 was refunded by (2017: £18,000 was paid to) the Manager for the administration of savings scheme products of which £1,000 (2017: £nil) was outstanding at the year end. Included in other administration expenses in note 7 on page 51 are safe custody fees payable to JPMorgan Chase Bank, N.A. as custodian of the Company amounting to £9,000 (2017: £11,000) of which £3,000 (2017: £3,000) was outstanding at the year end.

The Manager carries out some of its dealing transactions through subsidiaries. These transactions are carried out at arms' length.

Handling charges payable to JPMorgan Chase Bank, N.A. on dealing transactions undertaken by overseas sub custodians on behalf of the Company amounted to £12,000 (2017: £9,000) of which £3,000 (2017: £2,000) was outstanding at the year end.

At the year end, the Company held bank balances of £296,000 (2017: £281,000), with JPMorgan Chase Bank, N.A. which was placed on deposit with an approved list of banks. Interest amounting to £3,000 (2017: £1,000) was receivable by the Company during the year from JPMorgan Chase Bank, N.A. of which £nil (2017: £nil) was outstanding at the year end.

The Company also holds cash in the JPMorgan Sterling Liquidity Fund, which is managed by JPMF. At the year end this was valued at £12,253,000 (2017: £16,402,000). Interest amounting to £51,000 (2017: £30,000) was receivable during the year of which £6,000 (2017: £nil) was outstanding at the year end.

Full details of Directors' remuneration and shareholdings can be found on page 32. No fees are outstanding at the year end (2017: £nil).

24. Disclosures regarding financial instruments measured at fair value

The disclosures required by the IFRS 13: 'Fair Value Measurement' are given below. The Company's financial instruments within the scope of IFRS 13 that are held at fair value comprise its investment portfolio and derivative contracts.

The investments are categorised into a hierarchy consisting of the following three levels:

Level 1 - valued using unadjusted quoted prices in active markets for identical assets and liabilities.

Level 2 - valued by reference to valuation techniques using other observable inputs not included within Level 1.

Level 3 - valued by reference to valuation techniques using unobservable inputs.

Categorisation within the hierarchy has been determined on the basis of the lowest level input that is significant to the fair value measurement of the relevant asset. Details of the valuation techniques used by the Company are given in notes 2(f) and (g) on page 48.

The following tables set out the fair value measurements using the IFRS 13 hierarchy at 30th June:

	2018			
	Level 1 £'000	Level 2[1] £'000	Level 3 £'000	Total £'000
Financial assets held at fair value through profit or loss				
Investments:				
- Bonds	1,801	–	–	1,801
- Convertibles	130,086	–	–	130,086
- Convertible preference	17,889	–	–	17,889
- Warrants	202	–	–	202
Total investments	**149,978**	**–**	**–**	**149,978**
Derivative financial assets:				
- Forward foreign currency contracts	–	62	–	62
- ASCOTs[2]	–	1,646	–	1,646
Total	**149,978**	**1,708**	**–**	**151,686**
Financial liabilities held at fair value through profit or loss				
Derivative financial liabilities:				
- Forward foreign currency contracts	–	(1,161)	–	(1,161)
Total	**–**	**(1,161)**	**–**	**(1,161)**

	2017			
	Level 1 £'000	Level 2[1] £'000	Level 3 £'000	Total £'000
Financial assets held at fair value through profit or loss				
Investments:				
- Bonds	8,572	–	–	8,572
- Convertibles	165,932	–	–	165,932
- Convertible preference	10,503	–	–	10,503
Total investments	**185,007**	**–**	**–**	**185,007**
Derivative financial assets:				
- Forward foreign currency contracts	–	763	–	763
Total	**185,007**	**763**	**–**	**185,770**
Financial liabilities held at fair value through profit or loss				
Derivative financial liabilities:				
- Forward foreign currency contracts	–	(492)	–	(492)
Total	**–**	**(492)**	**–**	**(492)**

[1] Level 2 investments and derivative financial instruments are priced in accordance with the accounting policy in note 2(g).

[2] Asset Swapped Convertible Option Transaction (ASCOT).

The Company's policy for determining transfers between levels is to ascertain the listing status at each period and for each investment and determine if any charges have occurred that would necessitate a transfer.

Fair values of financial assets and financial liabilities

All financial assets and liabilities are either included in the Statement of Financial Position at fair value or the carrying amount is a reasonable approximation of fair value.

25. Financial instruments' exposure to risk and risk management policies

The Directors have delegated to the Manager the management of day-to-day investment activities, borrowings and hedging of the Company which are fully described in the Strategic Report and the Directors' Report.

As a closed ended investment company, the Company's investments include, but are not restricted to, convertible securities, preference shares, equities, index and participation notes, equity-linked notes, corporate bonds, pre-IPO bonds, warrants and other instruments exhibiting convertible or exchangeable characteristics, held for the long-term so as to comply with its investment policies (incorporating the Company's investment objective) stated on the 'Features' page.

In pursuing its investment objective, the Company is exposed to a variety of risks that could result in either a reduction in the Company's net assets or a reduction of the profits available for dividends. These risks include market risk (comprising currency risk, interest rate risk and other price risk), liquidity risk and credit risk. The Directors' policy for managing these risks is set out below. The Company Secretary in close cooperation with the Board and the Manager, coordinates the Group's risk management strategy.

(a) Market risk

The fair value of future cash flows of a financial instrument held by the Company may fluctuate because of changes in market prices. This market risk comprises three elements – currency risk, interest rate risk and other price risk. Information to enable an evaluation of the nature and extent of these three elements of market risk is given in parts (i) to (iii) of this note, together with sensitivity analyses where appropriate. The Board reviews and agrees policies for managing these risks. The Manager assesses the exposure to market risk when making each investment decision and monitors the overall level of market risk on the whole of the investment portfolio on an ongoing basis.

(i) Currency risk

Certain of the Company's assets, liabilities and income are denominated in currencies other than sterling, which is the Company's functional currency and the presentational currency of the Company. As a result, movements in exchange rates may affect the sterling value of those items.

Management of currency risk

The Manager monitors the Company's exposure to foreign currencies on a daily basis and reports to the Board. The Manager measures the risk to the Company of the foreign currency exposure by considering the effect on the Company's net asset value and income of a movement in the rates of exchange to which the Company's assets, liabilities, income and expenses are exposed. Income denominated in foreign currencies is converted to sterling on receipt. The Company may use short term forward currency contracts to mitigate currency risk.

Foreign currency exposure

The fair value of the Company's monetary items that have foreign currency exposure at 30th June 2018 are shown below. Where the Company's equity investments (which are not monetary items) are priced in a foreign currency, they have been included separately in the analysis so as to show the overall level of exposure.

	US Dollar £'000	Hong Kong Dollar £'000	Euro £'000	2018 Singapore Dollar £'000	Swedish Krona £'000	Japanese Yen £'000	Total[1] £'000
Current assets[2]	5,534	15	576	26	1	1,647	7,799
Creditors[2]	(96,666)	(5,385)	(13,169)	(6,675)	–	(1,683)	(123,578)
Loans payable	(15,149)	–	–	–	–	–	(15,149)
Foreign currency exposure on net monetary items	(106,281)	(5,370)	(12,593)	(6,649)	1	(36)	(130,928)
Investments held at fair value through profit or loss	106,739	5,810	12,804	6,750	–	–	132,103
Total net foreign currency exposure	**458**	**440**	**211**	**101**	**1**	**(36)**	**1,175**

	US Dollar £'000	Hong Kong Dollar £'000	Euro £'000	2017 Singapore Dollar £'000	Swedish Krona £'000	Other £'000	Total[1] £'000
Current assets[2]	16,705	–	12,512	402	26	1	29,646
Creditors[2]	(129,235)	–	(34,075)	(2,028)	(2,383)	–	(167,721)
Loans payable	(15,397)	–	–	–	–	–	(15,397)
Foreign currency exposure on net monetary items	(127,927)	–	(21,563)	(1,626)	(2,357)	1	(153,472)
Investments held at fair value through profit or loss	128,556	–	21,930	2,004	2,920	–	155,410
Total net foreign currency exposure	**629**	**–**	**367**	**378**	**563**	**1**	**1,938**

[1] Does not include sterling balances.
[2] Includes open forward currency contract gross exposure amounts & ASCOTs

Foreign currency sensitivity

The following tables illustrate the sensitivity of profit after taxation for the year and net assets with regard to the monetary financial assets and financial liabilities, convertible securities, and exchange rates. The sensitivity analysis is based on equity investments, monetary currency financial instruments held at each balance sheet date and the income receivable in foreign currency, and assumes a 10% (2017: 10%) appreciation or depreciation in sterling against the US Dollar, Hong Kong Dollar, Euro, Singapore Dollar, Swedish Krona, Japanese Yen and other currencies to which the Company is exposed, which is deemed a reasonable illustration based on the volatility of exchange rates during the year.

25. Financial instruments' exposure to risk and risk management policies

(a) Market risk *continued*

(i) Currency risk *continued*

Foreign currency sensitivity *continued*

If sterling had weakened by 10% this would have had the following effect:

	2018 £'000	2017 £'000
Net monetary items	(13,093)	(15,347)
Investments held at fair value	13,210	15,541
Capital return	117	194
Total return after taxation for the year/net assets	**117**	**194**

Conversely if sterling had strengthened by 10% this would have had the following effect:

	2018 £'000	2017 £'000
Net monetary items	13,093	15,347
Investments held at fair value	(13,210)	(15,541)
Capital loss	(117)	(194)
Total loss after taxation for the year/net assets	**(117)**	**(194)**

In the opinion of the Directors, the above sensitivity analysis with respect to monetary financial assets, financial liabilities and equity investments is broadly representative of the whole year.

(ii) Interest rate risk

Interest rate risk represents the risk that the fair value or the future cash flows of a financial instrument could fluctuate because of changes in market interest rate levels. Interest rate risk comprises the fair value (present value) risk on fixed interest financial instruments as well as the risk associated with cash flows from variable interest (floating rate) financial instruments. It is related above all to long-term financial instruments. These longer terms can be material for financial assets, securities and financial liabilities.

Interest rate movements may affect:

- the fair value of the investments in fixed-interest rate securities;
- the level of income receivable on cash deposits and floating rate investments; and
- the interest payable on variable rate borrowings.

Management of interest rate risk

The possible effects on fair value and cash flows that could arise as a result of changes in interest rates are taken into account as part of the portfolio management and borrowings processes of the Manager.

The Company may employ gearing up to a maximum of 20% of Net Asset Value at the time of borrowing. Gearing is expected to be used tactically to make investments consistent with the Company's investment objective and policy and for working capital purposes.

The Board reviews on a regular basis the investment portfolio and borrowings. This encompasses the valuation of fixed-interest and floating rate securities and gearing levels.

Interest rate exposure

The following table shows the Company's exposure to interest rate risk at the balance sheet date arising from its investments, monetary financial assets and liabilities.

	2018 Within one year £'000	2018 More than one year £'000	2018 Total £'000	2017 Within one year £'000	2017 More than one year £'000	2017 Total £'000
Exposure to floating interest rates:						
Foreign currency bank loan	–	(15,149)	(15,149)	–	(15,397)	(15,397)
Investments at fair value through profit or loss	17,105	2,638	19,743	7,157	3,280	10,437
Cash and cash equivalents	12,549	–	12,549	16,683	–	16,683
Exposure to fixed interest rates:						
Investments held at fair value through profit or loss	–	130,235	130,235	1,700	172,870	174,570
Net exposure to interest rates	**29,654**	**117,724**	**147,378**	**25,540**	**160,753**	**186,293**

The following table illustrates the sensitivity of profit after taxation for the year and net assets to a 1% (2017: 1%) increase or decrease in interest rate in regards to monetary financial assets and financial liabilities. This level of change is considered to be a reasonable illustration based on observation of current market conditions. The sensitivity analysis is based on the monetary financial instruments held at the balance sheet date, with all other variables held constant.

In line with accounting policy, the impact of the increase/decrease in interest on the bank loan is split 65% to revenue and 35% to capital.

Effect of a 1% increase in interest rate:

	2018 £'000	2017 £'000
Statement of Comprehensive Income – return/(loss) after taxation		
Revenue return	224	171
Capital loss	(53)	(54)
Total return after taxation for the year and net assets	**171**	**117**

Effect of a 1% decrease in interest rate:

	2018 £'000	2017 £'000
Statement of Comprehensive Income – return/(loss) after taxation		
Revenue loss	(224)	(171)
Capital return	53	54
Total loss after taxation for the year and net assets	**(171)**	**(117)**

In the opinion of the Directors, it is not possible to produce a representative sensitivity analysis for the whole year as the Company's exposure to floating interest rates may vary.

25. Financial instruments' exposure to risk and risk management policies *continued*

(a) Market risk *continued*

(iii) Other price risk

Other price risk includes changes in market prices, other than those arising from interest rate risk or currency risk, which may affect the value of investments. Fair value impacts of changes in interest rates on fixed interest investments are also captured within other price risk.

Management of other price risk

The Board meets each quarter to consider the asset allocation of the portfolio and the risk associated with particular industry sectors. The investment management team has responsibility for monitoring the portfolio, which is selected in accordance with the investment objective and seeks to ensure that individual securities meet an acceptable risk/reward profile.

Other price risk exposure

The Company's exposure to other changes in market prices at 30th June on its investments are as follows:

	2018 £'000	2017 £'000
Investments held at fair value through profit or loss		
- Convertibles	130,086	165,932
- Convertible preference	17,889	10,503
- Interest rate securities	1,801	8,572
- Warrants	202	–
	149,978	**185,007**

Other price risk sensitivity

The following table illustrates the sensitivity of profit after taxation for the year and net assets to an increase or decrease of 10% (2017: 10%) in the fair value of investments. This level of change is considered to be a reasonable illustration based on observation of current market conditions. The sensitivity analysis is based on investments and adjusting for change in the management fee, but with all other variables held constant.

Effect of a 10% increase in fair value:

	2018 £'000	2017 £'000
Statement of Comprehensive Income – return after taxation		
Revenue loss	(73)	(90)
Capital return	14,958	18,452
Total return after taxation for the year and net assets	**14,885**	**18,362**

Effect of a 10% decrease in fair value:

	2018 £'000	2017 £'000
Statement of Comprehensive Income – return after taxation		
Revenue return	73	90
Capital loss	(14,958)	(18,452)
Total loss after taxation for the year and net assets	**(14,885)**	**(18,362)**

(b) Liquidity risk

This is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Management of liquidity risk

Liquidity risk is not significant as the Company's assets comprise readily realisable securities, which can be sold to meet funding requirements if necessary. Short term flexibility is achieved through the use of overdraft facilities and the revolving credit facility which the Company entered into with Scotiabank in July 2015. The Board's policy is to remain fully invested in normal market conditions and the Company may employ gearing up to a maximum of 20% of Net Asset Value to manage short term liabilities and working capital requirements.

Liquidity risk exposure

Contractual maturities of the financial liabilities at the year end, based on the earliest date on which payment can be required by the lender are as follows:

	2018			
	Less than 3 months £'000	More than 3 months but not more than 1 year £'000	More than 1 year £'000	Total £'000
Creditors: amounts falling due within one year				
Repurchase of the Company's shares for future settlement	26	–	–	26
Securities purchased awaiting settlement	2,471	–	–	2,471
Other creditors	84	–	–	84
Forward foreign currency contracts	1,161	–	–	1,161
Creditors: amounts falling due after more than one year				
Bank loans	234	355	15,150	15,739
	3,976	**355**	**15,150**	**19,481**

	2017			
	Less than 3 months £'000	More than 3 months but not more than 1 year £'000	More than 1 year £'000	Total £'000
Creditors: amounts falling due within one year				
Repurchase of the Company's shares for future settlement	2,295	–	–	2,295
Other creditors	75	–	–	75
Forward foreign currency contracts	492	–	–	492
Creditors: amounts falling due after more than one year				
Bank loans	157	246	15,655	16,058
	3,019	**246**	**15,655**	**18,920**

25. Financial instruments' exposure to risk and risk management policies *continued*

(c) Credit risk

Credit risk is the risk that the counterparty to a transaction fails to discharge its obligations under that transaction which could resulting a loss to the Company.

Management of credit risk

Portfolio dealing

The Company primarily invests in markets that operate Delivery Versus Payment ('DVP') settlement. The process of DVP mitigates the risk of losing the principal of a trade during the settlement process. The Manager continuously monitors dealing activity to ensure best execution, a process that involves measuring various indicators including the quality of trade settlement and incidence of failed trades. Counterparty lists are maintained and adjusted accordingly.

The credit rating of investments within the portfolio are disclosed in the Portfolio Disclosure on pages 13 and 14. Investments within the portfolio with a 'NIR' rating do not have an independent credit rating. The Company monitors the credit risk of these investments using an internal rating system.

The Company held open forward currency contracts with the following counterparties at the year end: ANZ Banking Group, Barclays Bank, BNP Paribas, Citibank, Deutsche Bank, Merrill Lynch International, Morgan Stanley, National Australia Bank, Standard Chartered Bank, State Street.

Cash

Counterparties are subject to regular credit analysis by the Manager and trades can only be placed with counterparties that have been approved by both the JPMorgan Counterparty Risk Group and the Board. The liquidity fund which the Company invests in has an S&P credit rating of AAA.

Exposure to JPMorgan Chase

JPMorgan Chase is the custodian of the Company's assets. The custody agreement grants a general lien over the securities credited to the securities account. The Company's assets, other than cash, are segregated from JPMorgan Chase's own trading assets and are therefore protected from creditors in the event that JPMorgan Chase were to cease trading. However, no absolute guarantee can be given to investors on the protection of all assets of the Company.

Credit risk exposure

The amounts shown in the Statement of Financial Position under investments in liquidity fund, derivative financial assets, other receivables and cash and cash equivalents represent the maximum exposure to credit risk at the year end. The investments within the portfolio are disclosed on pages 13 and 14.

Offsetting financial assets and financial liabilities

The Company presents the fair value of its derivative assets and liabilities on a gross basis, no such assets or liabilities have been offset in the statement of financial position.

Certain derivative financial instruments are subject to enforceable master netting arrangements, and these may be settled on a net basis under the terms of these agreements.

The following tables set out the carrying amounts of recognised financial assets and liabilities that are subject to the above arrangement as at 30th June 2018 and 30th June 2017:

	2018				
	Gross carrying amounts before offsetting £'000	Amounts offset in accordance with offsetting criteria £'000	Net amount presented in the statement of financial position £'000	Effect of remaining rights not set off in the statement of financial position £'000	Net exposure £'000
Financial Assets					
Forward currency contracts	62	–	62	(62)	–
Total	**62**	**–**	**62**	**(62)**	**–**
Financial liabilities					
Forward currency contracts	(1,161)	–	(1,161)	62	(1,099)
Total	**(1,161)**	**–**	**(1,161)**	**62**	**(1,099)**

	2017				
	Gross carrying amounts before offsetting £'000	Amounts offset in accordance with offsetting criteria £'000	Net amount presented in the statement of financial position £'000	Effect of remaining rights not set off in the statement of financial position £'000	Net exposure £'000
Financial Assets					
Forward currency contracts	763	–	763	(492)	271
Total	**763**	**–**	**763**	**(492)**	**271**
Financial liabilities					
Forward currency contracts	(492)	–	(492)	492	–
Total	**(492)**	**–**	**(492)**	**492**	**–**

26. Capital management policies and procedures

The Company's capital comprises the following:

	2018 £'000	2017 £'000
Debt		
Bank loan	15,149	15,397
	15,149	15,397
Equity		
Share capital	217,368	217,368
Reserves	(69,105)	(31,548)
	148,263	185,820
Total debt and equity	**163,412**	**201,217**

The investment objective of the fund is to provide investors with a dividend income combined with the potential for long term rapid growth, from investing in a globally diversified portfolio of convertible securities. Gearing is permitted up to a maximum level of 20% of Net Asset Value.

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance.

	2018 £'000	2017 £'000
Investments held at fair value through profit or loss	149,978	185,007
Net assets	148,263	185,820
Gearing/(net cash)	**1.2%**	**(0.4)%**

The Board, with the assistance of the Manager, monitors and reviews the broad structure of the Company's capital on an ongoing basis. This review includes:

- the planned level of gearing, which takes into account the Manager's views of the market;
- the need to buy back equity shares for cancellation takes into account the share price discount or premium; and
- the need for issues of new shares.

27. Subsequent events

The Directors have evaluated the period since the year end and have not identified any subsequent events.

Regulatory Disclosures

ALTERNATIVE INVESTMENT FUND MANAGERS DIRECTIVE ('AIFMD') DISCLOSURES (UNAUDITED)

Leverage

For the purposes of the Alternative Investment Fund Managers Directive ('AIFMD'), leverage is any method which increases the Company's exposure, including the borrowing of cash and the use of derivatives. It is expressed as a ratio between the Company's exposure and its net asset value and is calculated on a gross and a commitment method in accordance with AIFMD. Under the gross method, exposure represents the sum of the Company's positions without taking into account any hedging and netting arrangements. Under the commitment method, exposure is calculated after certain hedging and netting positions are offset against each other.

The Company's maximum and actual leverage levels at 30th June 2018 are shown below:

	Gross Method	Commitment Method
Leverage Exposure		
Maximum limit	600%	350%
Actual	217%	212%

JPMF Remuneration

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

This section of the annual report has been prepared in accordance with the Alternative Investment Fund Managers' Directive (the 'AIFMD'), the European Commission Delegated Regulation supplementing the AIFMD, and the 'Guidelines on sound remuneration policies' issued by the European Securities and Markets Authority under the AIFMD.

This section has also been prepared in accordance with the relevant provisions of the Financial Conduct Authority Handbook (FUND 3.3.5).

Remuneration Policy

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

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

The Board reviews and adopts the Remuneration Policy on an annual basis, and oversees its implementation, including the classification of AIFMD Identified Staff. As at 31st December 2017, the Board last reviewed and adopted the Remuneration Policy in June 2017 with no material changes and was satisfied with its implementation.

Quantitative Disclosures

The table below provides an overview of the aggregate 2017 total remuneration paid to staff of the Management Company and the number of beneficiaries. These figures include the remuneration of all staff of JP Morgan Asset Management (UK) Ltd (the relevant employing entity) and the number of beneficiaries, both apportioned to the Management Company on an assets under management ('AUM') weighted basis.

Due to the Firm's operational structure, the information needed to provide a further breakdown of remuneration attributable to the Company is not readily available and would not be relevant or reliable. However, for context, the Management Company manages 32 Alternative Investment Funds and 2 UCITS (with 38 sub-funds), with a combined AUM as at 31st December 2017 of £13,204 million and £15,004 million respectively.

	Fixed remuneration	Variable remuneration	Total remuneration	Number of beneficiaries
All staff (USD$'000s)	14,845	9,801	24,646	117

The aggregate 2017 total remuneration paid to AIFMD Identified Staff was USD$ 65,309,308, of which USD$ 7,505,126 relates to Senior Management and USD$ 57,804,181 relates to other Identified Staff.

SECURITIES FINANCING TRANSACTIONS REGULATION ('SFTR') DISCLOSURES (UNAUDITED)

The Company does not engage in Securities Financing Transactions (as defined in Article 3 of Regulation (EU) 2015/2365, securities financing transactions include repurchase transactions, securities or commodities lending and securities or commodities borrowing, buy-sell back transactions or sell-buy back transactions and margin lending transactions) or total return swaps. Accordingly, disclosures required by Article 13 of the Regulation are not applicable for the year ended 30th June 2018.

Shareholder Information

Notice is hereby given that the fifth Annual General Meeting of JPMorgan Global Convertibles Income Fund Limited will be held at 1st Floor, Les Echelons Court, Les Echelons, South Esplanade, St Peter Port, Guernsey GY1 1AR on Wednesday, 14th November 2018 at 11.00 a.m. for the following purposes:

1. To receive the Directors' Report, the Annual Accounts and the Auditor's Report for the year ended 30th June 2018.
2. To approve the Company's Remuneration Policy.
3. To approve the Directors' Remuneration Report for the year ended 30th June 2018.
4. To re-elect Gailina Liew as a Director of the Company.
5. To re-elect Paul Meader as a Director of the Company.
6. To re-elect Simon Miller as a Director of the Company.
7. To re-elect Philip Taylor as a Director of the Company.
8. To re-elect Charlotte Valeur as a Director of the Company.
9. To reappoint Ernst & Young LLP as auditor of the Company and to authorise the Directors to determine their remuneration.

Special Business

To consider the following resolutions:

Continuation Vote – Ordinary Resolution

10. THAT the Company continues its business as a closed-ended collective investment scheme for a further three year period.

Authority to allot new shares – Ordinary Resolution

11. THAT the Directors of the Company be and they are hereby generally and unconditionally authorised, (in substitution of any authorities previously granted to the Directors), pursuant to and in accordance with the Company's Articles of Incorporation to exercise all the powers of the Company to allot shares in the Company and to grant rights to subscribe for, or to convert any security into, shares in the Company ('Rights') up to an aggregate amount as shall be equal to 10% of the issued share capital of the Company as at the date of the passing of this Resolution, provided that this authority shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2019 unless renewed at a general meeting prior to such time, save that the Company may before such expiry make offers or agreements which would or might require shares to be allotted or Rights to be granted after such expiry and so that the Directors of the Company may allot shares and grant Rights in pursuance of such offers or agreements as if the authority conferred hereby had not expired.

Authority to disapply pre-emption rights on allotment of relevant securities – Special Resolution

12. THAT subject to the passing of Resolution 11 set out above, the Directors of the Company be and they are hereby empowered pursuant to the Company's Articles of Incorporation to allot equity securities for cash pursuant to the authority conferred by Resolution 11, or by way of a sale of Treasury shares, provided that this power shall be limited to the allotment of equity securities for cash up to an aggregate amount as shall be equal to 10% of the issued share capital of the Company as at the date of the passing of this Resolution, at a price being not less than the net asset value per share at the date of allotment and shall expire upon the expiry of the general authority conferred by Resolution 11 above, save that the Company may before such expiry make offers or agreements which would or might require equity securities to be allotted after such expiry and so that the Directors of the Company may allot equity securities in pursuant of such offers or agreements as if the power conferred hereby had not expired.

Authority to repurchase the Company's shares

13. THAT the Company be generally and subject as hereinafter appears unconditionally authorised in accordance with the Company's Articles of Incorporation to make market purchases of its issued shares in the capital of the Company.

    PROVIDED ALWAYS THAT

    (i) the maximum number of ordinary shares hereby authorised to be purchased shall be 19,740,294 or, if less, that number of shares which is equal to 14.99% of the Company's ordinary issued share capital as at the date of the passing of this resolution;

    (ii) the minimum price which may be paid for an ordinary share shall be 1p;

    (iii) the maximum price which may be paid for an ordinary share shall be an amount equal to the highest of: (a) 105% of the average of the middle market quotations for an ordinary share taken from and calculated by reference to the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the ordinary share is purchased; or (b) the price of the last independent trade; or (c) the highest current independent bid;

    (iv) any purchase of ordinary shares will be made in the market for cash at prices below the prevailing net asset value per ordinary share (as determined by the Directors);

(v) the authority hereby conferred shall expire on 3rd June 2020 unless the authority is renewed at the Company's Annual General Meeting in 2019 or at any other general meeting prior to such time; and

(vi) the Company may make a contract to purchase ordinary shares under the authority hereby conferred prior to the expiry of such authority and may make a purchase of ordinary shares pursuant to any such contract notwithstanding such expiry.

By order of the Board
Jonathan Latter, for and on behalf of
JPMorgan Funds Limited,
Secretary

17th October 2018

Notes

These notes should be read in conjunction with the notes on the reverse of the proxy form.

1. A member entitled to attend and vote at the Meeting may appoint another person(s) (who need not be a member of the Company) to exercise all or any of his rights to attend, speak and vote at the Meeting. A member can appoint more than one proxy in relation to the Meeting, provided that each proxy is appointed to exercise the rights attaching to different shares held by him.
2. A proxy does not need to be a member of the Company but must attend the Meeting to represent you. Your proxy could be the Chairman, another director of the Company or another person who has agreed to attend to represent you. Details of how to appoint the Chairman or another person(s) as your proxy or proxies using the proxy form are set out in the notes to the proxy form. If a voting box on the proxy form is left blank, the proxy or proxies will exercise his/their discretion both as to how to vote and whether he/they abstain(s) from voting. Your proxy must attend the Meeting for your vote to count. Appointing a proxy or proxies does not preclude you from attending the Meeting and voting in person.
3. Any instrument appointing a proxy, to be valid, must be lodged in accordance with the instructions given on the proxy form.
4. You may change your proxy instructions by returning a new proxy appointment. The deadline for receipt of proxy appointments (see above) also applies in relation to amended instructions. Any attempt to terminate or amend a proxy appointment received after the relevant deadline will be disregarded. Where two or more valid separate appointments of proxy are received in respect of the same share in respect of the same Meeting, the one which is last sent shall be treated as replacing and revoking the other or others.
5. To be entitled to attend and vote at the Meeting (and for the purpose of the determination by the Company of the number of votes they may cast), members must be entered on the Company's register of members as at close of business two business days prior to the Meeting (the 'specified time'). If the Meeting is adjourned to a time not more than 48 hours after the specified time applicable to the original Meeting, that time will also apply for the purpose of determining the entitlement of members to attend and vote (and for the purpose of determining the number of votes they may cast) at the adjourned Meeting. If however the Meeting is adjourned for a longer period then, to be so entitled, members must be entered on the Company's register of members as close of business two business days prior to the adjourned Meeting or, if the Company gives notice of the adjourned Meeting, at the time specified in that notice.
6. Entry to the Meeting will be restricted to shareholders, with guests admitted only by prior arrangement.
7. A corporation, which is a shareholder, may appoint an individual(s) to act as its representative(s) and to vote in person at the Meeting (see instructions given on the proxy form). In accordance with the provisions of the Company's Articles of Incorporation, each such representative(s) may exercise the same powers as the corporation could exercise if it were an individual member of the Company,

provided that they do not do so in relation to the same shares. It is therefore no longer necessary to nominate a designated corporate representative.

Representatives should bring to the meeting evidence of their appointment, including any authority under which it is signed.

8. Members that satisfy the thresholds in the Company's Articles of Incorporation can require the Company to publish a statement on its website setting out any matter relating to: (a) the audit of the company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the AGM; or (b) any circumstances connected with an auditor of the company ceasing to hold office since the previous AGM; which the members propose to raise at the meeting. The Company cannot require the members requesting the publication to pay its expenses. Any statement placed on the website must also be sent to the Company's Auditors no later than the time it makes its statement available on the website.

9. The Company must cause to be answered at the AGM any question relating to the business being dealt with at the AGM which is put by a member attending the meeting; no answer need be given if it is undesirable in the interests of the Company or the good order of the meeting.

10. Members meeting the threshold requirements in the Company's Articles of Incorporation have the right to require the Company: (i) to give, to members of the Company entitled to receive notice of the Meeting, notice of a resolution which those members intend to move (and which may properly be moved) at the Meeting; and/or (ii) to include in the business to be dealt with at the Meeting any matter (other than a proposed resolution) which may properly be included in the business at the Meeting. A resolution may properly be moved, or a matter properly included in the business unless: (a) (in the case of a resolution only) it would, if passed, be ineffective (whether by reason of any inconsistency with any enactment or the Company's constitution or otherwise); (b) it is defamatory of any person; or (c) it is frivolous or vexatious. A request made pursuant to this right may be in hard copy or electronic form, must identify the resolution of which notice is to be given or the matter to be included in the business, must be accompanied by a statement setting out the grounds for the request, must be authenticated by the person(s) making it and must be received by the Company not later than the date that is six clear weeks before the Meeting, and (in the case of a matter to be included in the business only) must be accompanied by a statement setting out the grounds for the request.

11. In accordance with the Company's Articles of Incorporation, the contents of this notice of meeting, details of the total number of shares in respect of which members are entitled to exercise voting rights at the AGM, the total voting rights members are entitled to exercise at the AGM and, if applicable, any members' statements, members' resolutions or members' matters of business received by the Company after the date of this notice will be available on the Company's website www.jpmconvertiblesincome.co.uk

12. The register of interests of the Directors and connected persons in the share capital of the Company is available for inspection at the Company's registered office during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted). It will also be available for inspection at the Annual General Meeting.

13. You may not use any electronic address provided in this Notice of Meeting to communicate with the Company for any purposes other than those expressly stated.

14. As at 10th October 2018 (being the latest business day prior to the publication of this Notice), the Company's issued share capital (excluding Treasury shares) consists of 131,689,757 ordinary shares, carrying one vote each. Therefore the total voting rights in the Company are 131,689,757.

Electronic appointment – CREST members

CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the Meeting and any adjournment(s) thereof by using the procedures described in the CREST Manual. See further instructions on the proxy form.

Return to Shareholders (Alternative Performance Measures (APM))
Total return to the shareholder, on a last traded price to last traded price basis, assuming that all dividends received were reinvested, without transaction costs, into the shares of the Company at the time the shares were quoted ex-dividend.

Total return calculation	Page	2018	2017	
Opening share price as at 30th June (p)	5	99.0	87.3	(a)
Closing share price as at 30th June (p)	5	94.0	99.0	(b)
Total dividend adjustment factor[1]		1.046911	1.049885	(c)
Adjusted closing share price (p) (d = b x c)		98.4	103.9	(d)
Total return to shareholder (e = d / a - 1)		**(0.6)%**	**19.1%**	**(e)**

[1] The dividend adjustment factor is calculated on the assumption that the dividends paid out by the Company are reinvested into the shares of the Company at the last traded price quoted at the ex-dividend date.

Return on Net Assets (APM)
Total return on net asset value ('NAV') per share, on a bid value to bid value basis, assuming that all dividends paid out by the Company were reinvested, into the shares of the Company at the NAV per share at the time the shares were quoted ex-dividend.

Total return calculation	Page	2018	2017	
Opening cum-income NAV per share as at 30th June (p)	5	100.9	96.6	(a)
Closing cum-income NAV per share as at 30th June (p)	5	97.5	100.9	(b)
Total dividend adjustment factor[2]		1.045961	1.045940	(c)
Adjusted closing cum-income NAV per shae (p) (d = b x c)		102.0	105.5	(d)
Total return on net assets (e = d / a - 1)		**1.1%**	**9.2%**	**(e)**

[1] The dividend adjustment factor is calculated on the assumption that the dividends paid out by the Company are reinvested into the shares of the Company at the cum-income NAV at the ex-dividend date.

Share Price Discount/Premium to Net Asset Value ('NAV') per Ordinary Share (APM)
If the share price of an investment trust is lower than the NAV per share, the shares are said to be trading at a discount, meaning there are more sellers than buyers.

The discount is shown as a percentage of the NAV per share. The opposite of a discount is a premium. It is more common for an investment trust company's shares to trade at a discount than at a premium.

Gearing/Net Cash (APM)
Gearing represents the excess amount above shareholder's funds of total investments, expressed as a percentage of the shareholders' funds. If the amount calculated is negative, this is shown as a 'net cash' position.

Gearing calculation	Page	2018 £'000	2017 £'000	
Investments held at fair value through profit or loss	45	149,978	185,007	(a)
Net assets	45	148,263	185,820	(b)
Gearing/(net cash) (c = a / b – 1)		**1.2%**	**(0.4)%**	**(c)**

Ongoing Charges (APM)

The ongoing charges represents the Company's management fee and all other operating expenses excluding finance costs payable, expressed as a percentage of the average of the daily cum-income net assets during the year and is calculated in accordance with guidance issued by the Association of Investment Companies.

Ongoing charges calculation	Page	2018 £'000	2017 £'000	
Management fee	43	1,289	1,458	
Other administrative expenses	43	417	468	
Total management fee and other administrative expenses		1,706	1,926	(a)
Average daily cum-income net assets		170,565	194,270	(b)
Ongoing charges (c = a / b)		**1.00%**	**0.99%**	**(c)**

Earnings/(loss) per Ordinary Share

The earnings/(loss) per Ordinary share represents the return/(loss) after taxation divided by the weighted number of Ordinary shares in issue during the year.

Bond-like

Bond-like convertible securities are those with a relatively stable credit and has a fixed income value far greater than the value of the underlying equity. It is largely insensitive to changes in the value of the underlying equity.

Balanced

Balanced convertible securities are those where the underlying equity value and the bond value of the security are within a fairly close range of each other. This makes the value of the instrument sensitive to both changes in the underlying equity and the fixed income value of the security.

ASCOT

An asset swapped convertible option transaction (ASCOT) is a financial structure that combines an option and an asset swap.
In essence, it is an option on a convertible bond which is used to separate the underlying bond into its components: (i) the underlying bond and its regular coupon cash flows; and (ii) an option to buy equity (i.e. a call option).

This structure allows exposure to the convertible bond and its equity performance without the credit risk represented by the bond.

You can invest in a J.P. Morgan investment trust through the following:

1. Directly from J.P. Morgan

Investment Account

The Company's shares are available in the J.P. Morgan Investment Account, which facilitates both regular monthly investments and occasional lump sum investments in the Company's ordinary shares. Shareholders who would like information on the Investment Account should call J.P. Morgan Asset Management free on 0800 20 40 20 or visit its website at am.jpmorgan.co.uk/investor

Stocks & Shares Individual Savings Accounts (ISA)

The Company's shares are eligible investments within a J.P. Morgan ISA. For the 2018/19 tax year, from 6th April 2018 and ending 5th April 2019, the total ISA allowance is £20,000. The shares are also available in a J.P. Morgan Junior ISA. Details are available from J.P. Morgan Asset Management free on 0800 20 40 20 or via its website at am.jpmorgan.co.uk/investor

2. Via a third party provider

Third party providers include:

AJ Bell	Hargreaves Lansdown
Alliance Trust Savings	Interactive Investor
Barclays Stockbrokers	James Brearley
Bestinvest	James Hay
Charles Stanley Direct	Selftrade
FundsNetwork	The Share Centre

Please note this list is not exhaustive and the availability of individual trusts may vary depending on the provider. These websites are third party sites and J.P. Morgan Asset Management does not endorse or recommend any. Please observe each site's privacy and cookie policies as well as their platform charges structure.

3. Through a professional adviser

Professional advisers are usually able to access the products of all the companies in the market and can help you find an investment that suits your individual circumstances. An adviser will let you know the fee for their service before you go ahead. You can find an adviser at unbiased.co.uk

You may also buy investment trusts through stockbrokers, wealth managers and banks.

To familiarise yourself with the Financial Conduct Authority (FCA) adviser charging and commission rules, visit fca.org.uk

Be ScamSmart

Investment scams are designed to look like genuine investments

Spot the warning signs

Have you been:

- contacted out of the blue
- promised tempting returns and told the investment is safe
- called repeatedly, or
- told the offer is only available for a limited time?

If so, you might have been contacted by fraudsters.

Avoid investment fraud

1 Reject cold calls
If you've received unsolicited contact about an investment opportunity, chances are it's a high risk investment or a scam. You should treat the call with extreme caution. The safest thing to do is to hang up.

2 Check the FCA Warning List
The FCA Warning List is a list of firms and individuals we know are operating without our authorisation.

3 Get impartial advice
Think about getting impartial financial advice before you hand over any money. Seek advice from someone unconnected to the firm that has approached you.

Remember: if it sounds too good to be true, it probably is!

Report a Scam

If you suspect that you have been approached by fraudsters please tell the FCA using the reporting form at **www.fca.org.uk/consumers/report-scam-unauthorised-firm.** You can also call the FCA Consumer Helpline on **0800 111 6768**

If you have lost money to investment fraud, you should report it to Action Fraud on 0300 123 2040 or online at www.actionfraud.police.uk

Find out more at www.fca.org.uk/scamsmart

FCA
FINANCIAL CONDUCT AUTHORITY

FINANCIAL CALENDAR

Financial year end	30th June
Final results announced	October
Half year end	31st December
Half year results announced	February
Annual General Meeting	November

History

JPMorgan Global Convertibles Income Fund Limited is a Guernsey-incorporated investment company which was launched in June 2013 with assets of £136.0 million.

Company Numbers

Guernsey company registration number: 56625
Ordinary Shares
London Stock Exchange ISIN code: GG00B96SW597
Bloomberg code: JGCI
SEDOL B96SW59
LEI 549300DKZ0OX0PZH5H23

Market Information

The Company's unaudited net asset value ('NAV') is published daily, via the London Stock Exchange.

The Company's shares are listed on the London Stock Exchange. The market price is shown daily in the Financial Times, The Times, The Daily Telegraph, The Scotsman and on the JPMorgan website at www.jpmconvertiblesincome.co.uk, where the share price is updated every fifteen minutes during trading hours.

Website

www.jpmconvertiblesincome.co.uk

Share Transactions

The Company's shares may be dealt in directly through a stockbroker or professional adviser acting on an investor's behalf. They may also be purchased and held through the J.P. Morgan Investment Account, J.P. Morgan ISA and J.P. Morgan Junior ISA. These products are all available on the online service at jpmorgan.co.uk/online

Manager and Company Secretary

JPMorgan Funds Limited

Administrator

J.P. Morgan Administration Services (Guernsey) Limited
Company's Registered Office
1st Floor
Les Echelons Court
Les Echelons
South Esplanade
St Peter Port
Guernsey GY1 1AR

For company secretarial matters please contact Jonathan Latter at the above address.

Depositary

The Bank of New York Mellon (International) Limited
1 Canada Square
London E14 5AL

The Depositary has appointed JPMorgan Chase Bank, NA, as the Company's custodian.

Registrars

Link Asset Services (Guernsey) Limited
Mont Crevelt House
Bulwer Avenue
St Sampson
Guernsey GY2 4LH

Telephone number: 0371 664 0300
(Calls cost 10p per minute plus network extras)

Calls to this number cost 10p per minute plus your telephone company's access charge. Lines open 8.30 a.m. to 5.30 p.m. Monday to Friday. The overseas helpline number is +44 (0)121 415 0224.

Email: shareholder.services@capita.co.uk

Registered shareholders can obtain further details on their holdings on the internet by visiting www.capitashareportal.com.

Independent Auditors

Ernst & Young LLP
PO Box 9
Royal Chambers
St Julian's Avenue
St Peter Port
Guernsey GY1 4AF

Brokers

Winterflood Securities
The Atrium Building
Cannon Bridge
25 Dowgate Hill
London EC4R 2GA

Telephone number: 020 3100 0000

Savings Product Administrators

For queries on the J.P. Morgan Investment Account and, J.P. Morgan ISA call the JPMorgan Helpline on Freephone 0800 20 40 20 or +44 (0)20 7742 9995.

aic
The Association of Investment Companies
A member of the AIC

www.jpmconvertiblesincome.co.uk

J.P. MORGAN HELPLINE

Freephone 0800 20 40 20 or +44 (0) 1268 444470.
Telephone lines are open Monday to Friday,
9am to 5.30pm.

Telephone calls may be recorded and monitored for security and training purposes.

J.P.Morgan
Asset Management