



Interim Report & Accounts (Unaudited)

# JPMorgan Fund III ICVC

31 October 2017



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

The opinions and views expressed in this document are those held by J.P. Morgan Asset Management as at 1 December 2017, which are subject to change and are not to be taken as or construed as investment advice.

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

You should remember that past performance is not a guide to the future. The price of investments and the income from them may fall as well as rise and investors may not get back the full amount invested. The level of tax benefits and liabilities will depend on individual circumstances and may change in the future.

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

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

The information in this booklet is based on our understanding of law, regulation and HM Revenue & Customs practice as at 1 December 2017.

# Authorised Corporate Director's (ACD) Report

Board of Directors of JPMorgan Funds Limited ("JPMF"), the Authorised Corporate Director ("ACD") of JPMorgan Fund III ICVC as at 31 October 2017.

## **Chairman**

### **Daniel Watkins**

Connected director. A member of the ACD since January 2010.

Dan Watkins, Managing Director, is the Deputy CEO of J.P. Morgan Asset Management AM Europe and Global Head of AM Client Services and Business Platform. Dan has been an employee since 1997, and oversees the business infrastructure of Investment Management in Europe and Asia including client services, fund administration, product development, and RFP. Dan also performs the role of Deputy CEO of AM EMEA, acting as a director of all the regulated legal entities across the region. Dan has held a number of positions at JPMorgan namely, Head of Europe COO and Global IM Operations, Head of the European Operations Team, Head of the European Transfer Agency, Head of Luxembourg Operations, manager of European Transfer Agency and London Investment Operations; and manager of the Flemings Investment Operations Teams.

Dan obtained a BA in Economics and Politics from the University of York and is a qualified Financial Advisor.

Dan is currently a director of several JPMorgan managed Luxembourg and Irish domiciled Investment funds and also several UK legal entities.

## **Directors**

### **Jasper Berens**

Connected director. A member of the ACD since January 2013.

Jasper Berens, Managing Director, is Head of UK Retail Business including the Investment Trusts. An employee since 1997, he was previously Head of UK Sales from 2005 to 2012 and, prior to that, Head of Asset Management Sales. Jasper draws on over 20 years' experience within sales and utilises this experience to oversee the Fund strategies and marketing activities of JPMF. Jasper is a Director of several J.P.Morgan managed UK-domiciled investment funds.

### **Mike O'Brien**

Connected director. A member of the ACD since December 2014.

Mike O'Brien, Managing Director, is the Chief Executive of J.P. Morgan Asset Management, EMEA and the Co-Head of the Asset Management Solutions (AM Solutions), based in London.

As CEO, Mike partners with the global investment, business and function heads to develop the business priorities in EMEA. A key area of his responsibility is ensuring the firm remains in line with the regulatory requirements and within a framework of appropriate risk management. Mike is also a director of the firm's principle legal entities and funds boards in Europe. In his role as Co-Head of AM Solutions, Mike oversees the Firm's Multi-Asset, Retirement, Pensions & Insurance Advisory and ETF businesses globally. Prior to this he was responsible for the firm's Global Institutional Business.

An employee since 2010, he is also a member of the J.P. Morgan Asset Management Operating Committee, as well as the J.P. Morgan Asset and Wealth Management Operating Committee.

Mike is a director of a number of J.P. Morgan's regulated entities.

Previously he worked at BlackRock/BGI where he was Head of Institutional Business for EMEA. During his decade-long tenure at BGI and then BlackRock, he led a team of institutional client advisors responsible for some of the firm's largest clients located across 12 regional markets. Prior to that, he worked at Towers Perrin for 14 years where he oversaw their UK and European investment consulting practice, managing all aspects of pension planning financial management, and developing new products and service offerings, such as pension financial risk modeling for UK and US corporations.

Mike holds a bachelor's degree in Applied Mathematics from Limerick University in Ireland. He is an Actuary ("FIA") and a CFA charter holder and is an advisor to the Investment Committee of the UK's Pension Protection Fund.

### **Ioan Roberts**

Connected director. A member of the ACD since November 2017.

Ioan Roberts, Managing Director, is CFO of the AM Solutions business as well as the EMEA regional SFO for Asset Management. He has been a board director of JPMorgan Asset Management (UK) Limited and JPMorgan Asset Management International Limited since 2010. His previous roles include CFO of the Global Institutional business and Head of Management Reporting for Europe for Asset Management. Prior to joining Asset Management in 2001 he was a member of the group reporting team in Flemings responsible for preparing statutory and management accounts for the Robert Fleming group. Ioan joined the company in 1999.

Prior to joining he worked as an external auditor for 4 years, qualifying as a chartered accountant in 1998 and is a CFA charter holder since 2005. Ioan obtained a BSc in Mathematics from Imperial College, University of London.

### **Ruston Smith**

Independent Director of the ACD since December 2016.

Ruston has over 30 years' experience in the pension fund and investment industry, complemented by broader commercial experience.

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

His experience includes over a decade as the Group Pensions and Insurable Risk Director at Tesco, where the award winning UK scheme has over 200,000 employed members. He was also the CEO of Tesco Pension Investment their FCA approved in house investment manager with £12bn of assets under management.

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

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

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

Ruston is Non Executive Chairman of the Tesco Pension Trustee Board and the Tesco DC Governance Committee, Non Executive Chairman of Tesco Pension Investment Limited, Non Executive Director of JPMorgan Asset Management International Limited, a Director of Standard Life's Master Trust Company, a Trustee Director of The People's Pension, a Governor of the Pensions Policy Institute, Non-Executive Chairman of PTL Ltd and Chairman of National Grocers Benevolent Fund. He was former Chairman of the Pensions and Lifetime Savings Association.

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

## **Background**

JPMorgan Funds Limited ("JPMF") is the Authorised Corporate Director ("ACD") of JPMorgan Fund III ICVC (the "Company") and is the sole Director of JPMorgan Fund III ICVC (the "Board"). The Board is pleased to present the Interim Report and Accounts for the period ended 31 October 2017.

## **Authorised Status**

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

The Company was launched as a non-UCITS Retail Scheme on 7 September 2002 and acts as an umbrella company comprising one fund. Its registration number is IC000174 and its registered address is 60 Victoria Embankment, London EC4Y 0JP.

## **Structure & Liabilities**

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

The interim accounts includes the following in relation to the Fund:

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

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

## **Role and Responsibility of the Board**

JPMF is authorised and regulated by the FCA and its principle activity is investment management. The responsibility of the ACD is governed by the Companies Act 2006 and the FCA. With respect to the annual accounts of the Company, it is also required to comply with the prospectus and any applicable accounting standards and also with the latest Statement of Recommended Practice issued by The Investment Association.

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

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

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

The Board can take independent professional advice if necessary.

## **Board Composition**

JPMF is chaired by Dan Watkins, and consists of four connected directors and one independent director. All Board meetings require a quorum of two directors to be in attendance.

## **Induction and Training**

All new directors of JPMF will receive a full induction incorporating relevant information regarding the Company and its duties and responsibilities as the ACD of the Company. In addition, JPMF takes active steps to keep up to date with developments relevant to the Company and have ensured that a formal training programme is in place.

## **Board Evaluation**

The Board carries out a biennial review of its performance.

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

## Board Meetings and Committees

The Board meets quarterly but if necessary additional meetings will be arranged.

Given the scope and nature of the business of the Company, the Board does not currently consider it necessary to have a formal Audit Committee or indeed any other standing committees. However, this is kept under review.

Board related matters are approved by the Board or, where there are specific matters that need further consideration, a Sub-Committee of the Board could be formed for this specific purpose. Such circumstances could be where the Board requests some amendments to the prospectus and where it is not appropriate to wait till the next quarterly Board meeting for this to be approved. These Sub-Committee meetings are formed of a minimum of two directors of JPMF.

There were eleven Board meetings held during the year to date. Four of these were quarterly Board meetings where, amongst other matters, the agenda included those items highlighted under the section above called 'Role and Responsibility of the Board.'

## Corporate Governance

The Board is responsible for ensuring that a high level of corporate governance is met and considers that the Fund has complied with the best practices in the UK funds industry.

## Proxy Voting Policy

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

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

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

## Remuneration Disclosure

JPMF 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.

## Remuneration Policy

A disclosure of the current remuneration policy for JPMF (the "Remuneration Policy") can be found at <https://am.jpmorgan.com/gb/en/asset-management/gim/per/legal/emea-remuneration-policy>. This policy 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 also be requested free of charge from the UK-based Investor Services team on 0800 20 40 20.

The Remuneration Policy applies to all employees of JPMF, including individuals whose professional activities may have a material impact on the risk profile of JPMF or the funds it manages ("Identified Staff"). The Identified Staff include members of 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 Identified Staff.

The Remuneration Policy, and its implementation, is designed to foster proper governance and regulatory compliance. The remuneration structure as described in the Remuneration Policy is designed to contribute to the achievement of short-term and long-term strategic and operational objectives, while avoiding excessive risk-taking inconsistent with the risk management strategy. This is intended to be accomplished, in part, through a balanced total compensation program comprised of a mix of fixed remuneration (including base salary), and variable remuneration in the form of cash incentives and long-term, equity based or fund-tracking incentives that vest over time. A balanced assessment of employees' performance is undertaken taking account of business and financial results, risk and control outcomes, client/customer goals, and other priorities including people and leadership objectives as appropriate. The compensation governance practices contain a number of measures to avoid conflicts of interest, including independent oversight and control of

the remuneration policy, and the assessment of employees in Control Functions against independent objectives linked to their functions.

## Quantitative Disclosures

The table below provides an overview of the aggregate 2016 total remuneration paid to staff of JPMF 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 JPMF on an AUM weighted basis.

Due to the Firm's operational structure, the information needed to provide a further breakdown of remuneration attributable to the Company is not readily available and would not be relevant or reliable. However, for context, the Management Company manages 31 AIFs and 2 UCITS (with 41 funds), with a combined AUM as at 31 December 2016 of £12,163m and £13,627m respectively.

	All staff (\$'000s)
Fixed remuneration	16,270
Variable remuneration	10,174
Total remuneration*	26,445
Number of beneficiaries	131

\* No carried interest or performance fees were paid to any staff by the Company in the year.

## Directors and Officers Indemnity Insurance

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

## Auditor

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

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

## Changes to the Prospectus

### Amendments published on 11 July 2017

- To add a general risk disclosure on cyber security which will inform investors that measures have been developed to reduce the risks associated with cyber security but that there remains a risk associated with cyber security regardless of these measures.
- Eligible Securities Markets list updated to include Egypt and Saudi Arabia.

## Change to the composition of the Board of JPMF

Tanaquil McDowall resigned from the Board effective the close of business on 6 September 2017 and Ioan Roberts appointment as Director commenced following approval by the FCA on 20 November 2017.

The Board would like to take this opportunity to record its thanks to Tanaquil for her service.

## Management and Administration

### Authorised Corporate Director

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

(Authorised and regulated by the Financial Conduct Authority.)

### Custodian and Bankers

JPMorgan Chase Bank, N.A. London Branch  
25 Bank Street, Canary Wharf, London, E14 5JP  
(Authorised and regulated by the Prudential Regulation Authority and by the Financial Conduct Authority.)

### Depositary

National Westminster Bank plc  
280 Bishopsgate, London, EC2M 4RB  
(Authorised and regulated by the Prudential Regulation Authority and by the Financial Conduct Authority.)

### Independent Auditors

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

### Investment Adviser

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

### Registrar

DST Systems, Inc.  
(renamed from International Financial Data  
Services Limited on 14 August 2017)  
DST House, Saint Nicholas Lane  
Basildon, Essex, SS15 5FS  
(Authorised and regulated by the Financial Conduct Authority)

By order of the Authorised Corporate Director,



### Dan Watkins

Director  
JPMorgan Funds Limited  
1 December 2017



### Ruston Smith

Director  
JPMorgan Funds Limited  
1 December 2017

# Investment Adviser's Report for the six months ending 31 October 2017

## Market review

Equities turned in a solid performance over the period in review as markets rallied globally amid a positive economic backdrop. Business sentiment surveys around the globe stayed elevated through October. US growth remained firm, underpinned by continued labour market progress and a sustained improvement in business investment. European and Japanese releases confirmed solid second-quarter activity and showed that above-trend growth had extended into the third quarter. Broadly in emerging markets, upswings in global manufacturing and commodity prices improved the outlook.

## Market outlook

Over 2017 growth data across the globe have generally surprised positively, and the momentum in the eurozone and Japan is particularly strong. Although the level of growth remains quite modest by historical standards, its breadth is encouraging, not least as the shift in growth leadership away from the US toward the rest of the world has prompted a reversal in the US dollar. The US appears to be sailing serenely into late cycle, with the combination of better global growth and muted inflation providing a fair wind. Correlation across regional indices remains low, favouring broad diversification across global equity markets. But at the margin our most favoured regions remain the eurozone and Japan, ahead of the US and emerging markets, with the UK our least preferred region.

JPMorgan Asset Management (UK) Limited  
November 2017

# JPM Portfolio Fund

## Investment objective and policy

To invest in a portfolio of regulated collective investment schemes operated or managed by JPMorgan. The Fund aims to provide capital growth over the long term.

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

**The Fund will not invest in schemes falling within paragraph (e) of section 3.9 (unregulated collective investment schemes) without first giving shareholders at least 60 days' notice of the intention to do so. See section 11.7 in the Prospectus for the risks of investing in such schemes.**

The Fund may invest in forward transactions and Financial Derivative Instruments (derivatives) for hedging purposes and for Efficient Portfolio Management. **Shareholders will receive at least 60 days' notice of any proposed change of use of derivatives within the Fund and will be informed of the potential impact of the change of use on the risk profile of the Fund. Any increased use of derivatives will lead to a commensurate increase in the risks of trading derivatives shown in section 11.6 of the Prospectus.**

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

## Risk profile

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

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

The Fund is likely to have significant exposure to the UK and may therefore be more volatile than more broadly diversified funds.

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

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

## Fund review

The Fund delivered a positive return over the six-month period, and outperformed its benchmark. We continue to diversify our equity exposure across major regions, reflecting a broadening out of economic growth. We have maintained our preference for higher quality markets, which we have reflected through an overweight to US large cap equities. We have maintained an underweight to UK equity over the period as news continues to be dominated by Brexit negotiations and the political and economic outlook remains unclear. We have upgraded our view on European equities given the clear improvement in the local macro conditions, acceleration in earnings-per-share growth and scope for further inflows into the region. The outperformance was driven largely by alpha generation from the underlying managers, in particular our UK and Asia Pacific strategies.

## Six month performance to 31 October 2017

	Net asset value per share 31.10.17	Net asset value per share 30.04.17	% Return
<b>JPM Portfolio Fund A-Class Acc</b>	<b>266.5p</b>	<b>249.5p</b>	<b>6.81%</b>
<b>JPM Portfolio Fund B-Class Acc</b>	<b>271.7p</b>	<b>253.8p</b>	<b>7.05%</b>
<b>JPM Portfolio Fund C-Class Acc</b>	<b>274.6p</b>	<b>256.3p</b>	<b>7.14%</b>
Benchmark Index			6.51%

## 12 month performance<sup>^</sup> to 31 October

	2017	2016	2015
<b>JPM Portfolio Fund A-Class Acc</b>	<b>15.12%</b>	<b>15.12%</b>	<b>7.66%</b>
<b>JPM Portfolio Fund B-Class Acc</b>	<b>15.72%</b>	<b>15.67%</b>	<b>8.15%</b>
<b>JPM Portfolio Fund C-Class Acc</b>	<b>15.96%</b>	<b>15.96%</b>	<b>8.44%</b>
Benchmark Index	13.30%	20.94%	3.71%

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

<sup>^</sup> Performance returns are calculated using the dealing prices of the accumulation shares which are calculated using market prices and foreign exchange rates available at 12 noon. The benchmark returns, which are based on close of business prices, may reflect variances to the fund performance that are due to timing differences. Performance returns are in Sterling.

Source: J.P. Morgan.

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

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

## Fund statistics

Risk and Reward Profile	5† (5 at 30 April 2017)		
Fund size	£83.9m		
Benchmark Index	50% FTSE All-Share Index (Net)/ 50% FTSE World ex-UK Index (Net)		
Fund charges and expenses	A-Class	B-Class	C-Class
Initial charge (max.)	3.00%	Nil	Nil
Exit charge	Nil	Nil	Nil
Ongoing charge (comprises)	1.91%	1.41%	1.16%
Annual management fee	1.50%	1.00%	0.75%
Fixed expenses	0.18%	0.18%	0.18%
Synthetic fee adjustment from underlying fund holdings	0.23%	0.23%	0.23%

## Top ten holdings

	%
JPM US Equity All Cap Fund A (dist) - USD‡	17.84
JPM UK Dynamic Fund A - Net Accumulation‡	12.93
JPM UK Equity Plus Fund C - Net Accumulation‡	12.79
JPM US Select Equity Plus Fund A (dist) - USD‡	11.84
JPM UK Equity Growth Fund A - Net Accumulation‡	9.99
JPM UK Strategic Equity Income Fund A - Net Accumulation‡	9.90
JPM Asia Pacific Equity Fund A (dist) - USD‡	6.71
JPM Europe Select Equity Fund A (dist) - EUR‡	3.65
JPM Europe Strategic Dividend Fund A (dist) - EUR‡	3.63
JPM Japan Strategic Value Fund A (dist) - GBP‡	2.96

‡ A related party to the Fund.

## Asset breakdown

	%	%
Collective Investment Schemes		99.12
United Kingdom	45.61	
United States of America	29.68	
Europe	12.16	
Asia	6.71	
Japan	4.96	
Futures		0.13
Net other assets		0.75

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

## Highest/lowest share price and distribution record

Financial year to 30 April	Highest share price	Lowest share price	Distribution per share (net)
<b>A-Class Accumulation Shares</b>			
2015	213.4p	172.5p	1.37p
2016	211.1p	177.5p	2.38p
2017	253.0p	195.8p	1.72p
2018 <sup>A</sup>	266.6p	249.7p	0.00p
<b>B-Class Accumulation Shares</b>			
2015	214.9p	173.2p	2.36p
2016	212.7p	179.5p	3.42p
2017	257.1p	198.2p	2.90p
2018 <sup>A</sup>	271.8p	254.1p	0.00p
<b>C-Class Accumulation Shares</b>			
2015	215.9p	173.8p	2.82p
2016	213.7p	180.7p	3.94p
2017	259.6p	199.8p	3.49p
2018 <sup>A</sup>	274.7p	256.6p	0.00p

<sup>A</sup> To 31 October 2017.

## Portfolio turnover rate

30.04.17	41.60%
31.10.17	5.21%

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

## Net asset values and Ongoing charges

Date	Net asset value per share class £'000	Number of shares	Net asset value per share	Ongoing charges*
<b>A-Class Accumulation Shares</b>				
30.04.15	55,465	26,820,795	206.8p	1.97%
30.04.16	47,078	23,453,993	200.7p	1.92%
30.04.17	54,601	21,880,920	249.5p	1.91%
31.10.17	56,292	21,121,066	266.5p	1.91%
<b>B-Class Accumulation Shares</b>				
30.04.15	62	29,781	208.3p	1.47%
30.04.16	46	22,569	203.2p	1.42%
30.04.17	61	23,929	253.8p	1.41%
31.10.17	91	33,242	271.7p	1.41%
<b>C-Class Accumulation Shares</b>				
30.04.15	10,580	5,056,095	209.3p	1.22%
30.04.16	16,753	8,186,819	204.6p	1.17%
30.04.17	24,364	9,506,712	256.3p	1.16%
31.10.17	27,468	10,003,588	274.6p	1.16%

\* The Ongoing charges takes into account the ACD fee, the fixed expenses and any expenses paid to an affiliate in respect of stock lending activities, expressed as a percentage of the average daily net asset values over the period. It also includes a synthetic adjustment of 0.23% (30.04.17: 0.23%) for the period in respect of indirect expenses charged within investments in underlying funds.

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

# Portfolio statement

As at 31 October 2017

Investment	Holding	Market value £'000	Total net assets %
<b>Collective Investment Schemes 99.12% (99.00%)</b>			
<b>Asia 6.71% (5.87%)</b>			
JPM Asia Pacific Equity Fund A (dist) - USD <sup>‡</sup>	57,104	5,631	6.71
		<b>5,631</b>	<b>6.71</b>
<b>Europe 12.16% (11.63%)</b>			
JPM Europe Dynamic Fund A (dist) - EUR <sup>‡</sup>	112,626	2,046	2.44
JPM Europe Equity Plus Fund A (perf) (dist) - GBP <sup>‡</sup>	155,370	2,043	2.44
JPM Europe Select Equity Fund A (dist) - EUR <sup>‡</sup>	39,791	3,063	3.65
JPM Europe Strategic Dividend Fund A (dist) - EUR <sup>‡</sup>	28,112	3,045	3.63
		<b>10,197</b>	<b>12.16</b>
<b>Japan 4.96% (4.62%)</b>			
JPM Japan Equity Fund A (dist) - GBP <sup>‡</sup>	124,824	1,675	2.00
JPM Japan Strategic Value Fund A (dist) - GBP <sup>‡</sup>	26,855	2,479	2.96
		<b>4,154</b>	<b>4.96</b>
<b>United Kingdom 45.61% (46.92%)</b>			
JPM UK Dynamic Fund A - Net Accumulation <sup>‡</sup>	5,427,610	10,839	12.93
JPM UK Equity Growth Fund A - Net Accumulation <sup>‡</sup>	5,899,098	8,377	9.99
JPM UK Equity Plus Fund C - Net Accumulation <sup>‡</sup>	8,107,303	10,726	12.79
JPM UK Strategic Equity Income Fund A - Net Accumulation <sup>‡</sup>	4,429,896	8,297	9.90
		<b>38,239</b>	<b>45.61</b>
<b>United States 29.68% (29.96%)</b>			
JPM US Equity All Cap Fund A (dist) - USD <sup>‡</sup>	150,317	14,957	17.84
JPM US Select Equity Plus Fund A (dist) - USD <sup>‡</sup>	653,951	9,932	11.84
		<b>24,889</b>	<b>29.68</b>
<b>Collective Investment Schemes total</b>		<b>83,110</b>	<b>99.12</b>
<b>Futures 0.13% ((0.03)%)</b>			
EURO STOXX 50 Index 15/12/2017	15	23	0.03
FTSE 100 Index 15/12/2017	(18)	(17)	(0.02)
MSCI Emerging Markets Index 15/12/2017	(12)	(6)	(0.01)
Russell E-Mini 2000 Index 15/12/2017	(26)	(73)	(0.09)
S&P 500 Emini Index 15/12/2017	16	38	0.04
S&P/TSX 60 Index 14/12/2017	9	65	0.08
TOPIX Index 07/12/2017	7	81	0.10
<b>Futures total</b>		<b>111</b>	<b>0.13</b>
Investment assets (including Investment Liabilities)		83,221	99.25
Net other assets		630	0.75
<b>Net assets</b>		<b>83,851</b>	<b>100.00</b>

The comparative percentage figures in brackets are as at 30 April 2017.

‡ A related party to the Fund.

## Counterparty exposure

### Financial derivative exposure

Counterparty	Futures contracts £'000	Total £'000
Goldman Sachs	207	207
	<b>207</b>	<b>207</b>

At the balance sheet date, there was no collateral received by the Fund from the above counterparty. The counterparty exposure on futures contracts is reported at the positive mark to market values.

# Portfolio movements

For the six months ending 31 October 2017

	£'000		£'000
<b>Total of all purchases for the period</b>	<b>4,165</b>	<b>Total of all sales for the period</b>	<b>4,421</b>
<b>Purchases</b>	<b>Cost</b>	<b>Sales</b>	<b>Proceeds</b>
JPM Europe Dynamic Fund A (dist) - EUR‡	2,010	JPM Europe Equity Plus Fund A (perf) (dist) - GBP‡	2,344
JPM Europe Select Equity Fund A (dist) - EUR‡	643	JPM US Equity All Cap Fund A (dist) - USD‡	741
JPM Japan Equity Fund A (dist) - GBP‡	343	JPM Japan Strategic Value Fund A (dist) - GBP‡	405
JPM US Equity All Cap Fund A (dist) - USD‡	303	JPM UK Equity Growth Fund A - Net Accumulation‡	236
JPM Asia Pacific Equity Fund A (dist) - USD‡	243	JPM UK Equity Plus Fund C - Net Accumulation‡	235
JPM US Select Equity Plus Fund A (dist) - USD‡	202	JPM UK Strategic Equity Income Fund A - Net Accumulation‡	205
JPM Japan Strategic Value Fund A (dist) - GBP‡	135	JPM Europe Strategic Dividend Fund A (dist) - EUR‡	115
JPM Europe Strategic Dividend Fund A (dist) - EUR‡	108	JPM UK Dynamic Fund A - Net Accumulation‡	83
JPM UK Strategic Equity Income Fund A - Net Accumulation‡	103	JPM Japan Equity Fund A (dist) - GBP‡	57
JPM Europe Equity Plus Fund A (perf) (dist) - GBP‡	75		

‡ A related party to the Fund.

# Financial statements

## Statement of total return

(Unaudited)

For the six months ending 31 October

	£'000	2017 £'000	£'000	2016 £'000
Income				
Net capital gains		5,238		9,460
Revenue	771		787	
Expenses	(593)		(504)	
Net revenue before taxation	178		283	
Taxation	-		-	
Net revenue after taxation		178		283
<b>Total return before distributions</b>		<b>5,416</b>		<b>9,743</b>
Distributions		2		2
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>5,418</b>		<b>9,745</b>

## Balance sheet

As at

	31 October 2017 (Unaudited) £'000	30 April 2017 (Audited) £'000
<b>Assets:</b>		
Investments	83,317	78,271
<b>Current assets:</b>		
Debtors	162	522
Cash and bank balances	577	834
<b>Total assets</b>	<b>84,056</b>	<b>79,627</b>
<b>Liabilities:</b>		
Investment liabilities	(96)	(57)
<b>Creditors:</b>		
Other creditors	(109)	(544)
<b>Total liabilities</b>	<b>(205)</b>	<b>(601)</b>
<b>Net assets attributable to shareholders</b>	<b>83,851</b>	<b>79,026</b>

## Statement of change in net assets attributable to shareholders

(Unaudited)

For the six months ending 31 October

	£'000	2017 £'000	£'000	2016 £'000
<b>Opening net assets attributable to shareholders</b>		<b>79,026</b>		<b>63,877</b>
Amounts receivable on issue of shares	2,423		1,310	
Amounts payable on cancellation of shares	(3,016)		(2,671)	
		(593)		(1,361)
<b>Change in net assets attributable to shareholders from investment activities (see above)</b>		<b>5,418</b>		<b>9,745</b>
<b>Closing net assets attributable to shareholders</b>		<b>83,851</b>		<b>72,261</b>

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

# Accounting policies

The interim financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments, and in accordance with applicable law and United Kingdom Accounting Standards (UK Generally Accepted Accounting Practices and UK GAAP FRS 102) and with the Statement of Recommended Practice for Authorised Funds issued by the Investment Management Association (IMA), now Investment Association, in May 2014, (the 'IMA SORP').

Accounting policies applied are consistent with those of the annual financial statements for the period ending 30 April 2017 and are described in those financial statements.

This report has been prepared in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook and was approved by the Authorised Corporate Director on 1 December 2017.



**Dan Watkins**

Director

For and on behalf of JPMorgan Funds Limited

1 December 2017



**Ruston Smith**

Director

For and on behalf of JPMorgan Funds Limited

1 December 2017

## Who to contact

### Intermediaries

**0800 727 770**

### If you are an investor with us please call

**0800 20 40 20**

Lines are open 9.00am to 5.30pm Monday to Friday.

Telephone lines are recorded to ensure compliance with our legal and regulatory obligations and internal policies.

[www.jpmorganassetmanagement.co.uk](http://www.jpmorganassetmanagement.co.uk)