



Annual Report & Financial Statements

# JPMorgan Fund III ICVC

30 April 2020



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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 6 August 2020, 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 6 August 2020.

# 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 30 April 2020.

## *Chairman*

### **Andrew Lewis**

Executive Director. A member of the ACD since 5 November 2018.

Mr Lewis is the Head of UK Platform and Client Service for J.P. Morgan Asset Management in Europe.

Mr Lewis joined J.P. Morgan Asset Management in 2011. For two years he ran the Client Reporting Group, covering both Funds and institutional clients. He became the UK Funds COO in 2013 additionally taking responsibility for talent, promotions and ratings across Client Service and Platform in Europe. He covered Funds Client Service in Europe for two years before taking up his current role. He leads the Management Committees running the UK Funds entities and the Life Company. His group provides Client Service, Transfer Agency and Fund Administration for UK Funds, supports Funds distribution channels in UK, provides Board Management services to Fund boards. He continues to sit as COO on the management committee of the UK Funds business and is a Director of several UK legal entities.

Mr Lewis joined the British Army aged 18, leaving as a Colonel in 2011. He has a BA from Cranfield University and holds the Investment Management Certificate.

## *Directors*

### **Kate Jones**

Independent Non-Executive Director. A member of the ACD since June 2019.

Ms Jones' career spans senior investment leadership and Board roles in the financial services industry including the Pension Protection Fund, BlackRock, Schroders and M&G.

Ms Jones began her career as a portfolio manager at Prudential M&G before playing an instrumental role in the growth of BlackRock's Solutions business where she built and led the portfolio management function with responsibility for over £300bn of assets.

Ms Jones then moved to Schroders where she sponsored their largest ever change programme to allow the organisation to grow assets under management whilst managing costs.

Ms Jones is a Non-Executive Director at the Pension Protection Fund and Chair of the Investment Committee and Chair of Trustees for RedSTART, a financial education charity which aims to give all young people in the UK access to quality financial education.

With a focus on senior leaders in the financial sector, Ms Jones is also an executive coach.

Ms Jones has a degree in Mathematical Economics from the University of Birmingham and has been a CFA charter holder since 2003.

### **Stephen Pond**

Executive Director. A member of the ACD since 27 June 2018.

Mr Pond is the AM EMEA CFO and is also the lead Finance and Business Manager for the International Institutional business. He is a director on our main European holding company, JPMorgan International Limited, and on several regulated J.P. Morgan UK legal entities. He was previously Head of the Europe Performance Analysis Group. He joined Investment Management in New York in 2004 and moved to London in 2007 and held several positions within the Finance department.

Prior to joining Investment Management he was an analyst on a JPMC corporate management training programme. He joined the company in 2002. He has been a CFA charter holder since 2009. Mr Pond obtained a BA in Economics from the College of William and Mary in Williamsburg, VA, USA.

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

## **Ruston Smith**

Independent Non-Executive Director. A member of the ACD since 28 December 2016.

Ruston has over 35 years' experience in the pension fund and investment industry.

He was the former Group Pensions, Insurable Risk and People Director at Tesco and CEO of Tesco Pension Investment Ltd - FCA approved in house investment manager.

Ruston is now the Chair of the Tesco Pension Fund (DB and DC) and Tesco Pension Investment Ltd, Non-Executive Chair of JP Morgan Asset Management (EMEA), Non-Executive Chair of Smart Pension Ltd, Non-Executive Chair of PTL Ltd, Independent Trustee and Chair of the Funding and Investment Committee for the BAE Pension Fund, Governor of the PPI and Chair of GroceryAid.

Ruston was Co Chair of the DWP's 2017 Auto Enrolment Review Board, led the Simpler Annual Statement initiative launched in 2018, chaired the cross regulator and industry 'Standardised Assumptions Group' and was on the Treasury's Patient Capital DC Steering Group. He's also a former Chair of the Pensions and Lifetime Savings Association.

## **Patrick Thomson**

Executive Director. A member of the ACD since 30 May 2018.

Mr Thomson, Managing Director, is the Chief Executive Officer for EMEA, and international head of institutional clients for J.P. Morgan Asset Management, based in London.

As CEO, Mr Thomson 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. Mr Thomson is also a Director of J.P.Morgan's principal legal and regulated entities and funds boards in Europe.

Mr Thomson joined J.P. Morgan Asset Management in 1995. He is a member of J.P. Morgan Asset Management Operating Committee and J.P. Morgan Asset Management's Global Client Operating Committee.

Mr Thomson is on the Investment Association Board of Directors as well as the HM Treasury Asset Management Taskforce.

Previously he spent five years at Ivy Asset Management, part of BNY Mellon, where he was global head of Client Development and chief executive of the London office. After graduating from Edinburgh University with an MA (Hons), Mr Thomson served as an officer in the British Army for five years. He qualified as a member of the UK Society of Investment Professionals in 2000.

## **O'Brien Bennett**

Executive Director. A member of the ACD since 22 May 2020.

Mr. Bennett, Managing Director, is a Project Executive for J.P. Morgan Asset Management and has over 24 years of experience in the implementation of global strategic and regulatory programmes.

Mr. Bennett has managed strategic re-engineering projects across the US, Transfer Agency platform implementations in the UK and Luxembourg, business platform builds in Brazil, re-structuring of AML/KYC processing globally, MiFID II, PRIIPs, GDPR and now leads the LIBOR transition. He was previously head of Luxembourg Operations and Head of EMEA Product Development and Product Delivery Services.

Mr. Bennett started his career in stockbroking in 1977 and joined J.P. Morgan Asset Management in 1985. He moved to Luxembourg in 2004.

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

## Nick Bloxham

Executive Director. A member of the ACD since 1 June 2020.

Mr Bloxham is the UK Financial controller J.P. Morgan Asset Management.

Mr Bloxham joined J.P. Morgan Asset Management in 2008. For 3 years he was the financial controller for J.P. Morgan Asset Management (UK) Ltd, latterly also having responsibility for the financial sections of the JPMAM International ICAAP. He covered financial MIS for all European-based product teams for 2 years, before becoming Global CFO for AM Global Equities 2014. He moved to his current role as UK Financial Controller in November 2019.

He leads a group of 14, which provides financial regulatory reporting and control for 4 regulated entities, as well as the regulated group; corporate financial reporting; legal entity board reporting and financial statement preparation. His group has oversight and control of the JPMAM International Group and individual entities' balance sheet activities, including capital, seed, Mandatory investor Plan ('MIP') and FX hedging; regulatory capital management; liquidity management and seed/MIP investments. The role includes liaison with external auditors; external professional firms and bodies; J.P. Morgan boards and external regulators.

Mr Bloxham additionally provides support to the European Senior Financial Officer. He is deputy chair of the EMEA Capital and Liquidity Committee and the EMEA Corporate Tax meeting, and is a member of the ICAAP steering group and EMEA Seed Capital Committee.

Mr Bloxham is director on a number of companies within AM EMEA, and is the chair of the board of J.P. Morgan Trustee and Administration Services Limited. As part of the latter role, he attends the EMEA Audit Risk and Compliance Committee.

Mr Bloxham has an MA (Cantab) from Cambridge University and an MSc from Imperial College, London. He is a qualified Chartered Accountant (CA).

## 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 Annual Report and Financial Statements for the year ended 30 April 2020.

## Authorised Status

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

The Company was launched as a non-UCITS Retail Scheme and acts as an umbrella company comprising of 4 sub-funds. Its registration number is IC000174 and its registered address is 60 Victoria Embankment, London EC4Y 0JP.

## Structure & Liabilities

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

The ACD report includes for each sub-fund the:

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

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 ACD is incorporated under and governed by the Companies Act 2006. With respect to the annual report and financial statements of the Company, it is also required to comply with the Collective Investment Schemes Sourcebook issued by the FCA, 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 sub-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 report and financial statements, as well as the appointment of and review of the services provided by the depositary and auditors.

Prior to each meeting the Board receives detailed and timely information allowing them to prepare 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 the existing sub-fund 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 has procedures in place to manage any conflict of interest between personal interests of the Directors of JPMF 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 interest 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.

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

## Board Composition

JPMF is chaired by Mr Lewis, and consists of five Executive Directors and two Independent Non Executive 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.

## Board Evaluation

The Board carries out a biennial review of its performance.

## Board Meetings and Committees

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

There were six JPMorgan Fund III ICVC board meetings held during the year. 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 Company 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

JPMorgan Funds Limited (the "Management Company") is the authorised manager of JPMorgan Fund III ICVC (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. The information in this section is in respect of the most recent complete remuneration period ("Performance Year") as at the reporting date.

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 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. The Board last reviewed and adopted the Remuneration Policy that applied for the 2019 Performance Year in June 2019 with no material changes and was satisfied with its implementation.

## Quantitative Disclosures

The table below provides an overview of the aggregate total remuneration paid to staff of the Management Company in respect of the 2019 Performance Year 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 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 30 Alternative Investment Funds (with 4 sub-funds) and 2 UCITS (with 38 sub-funds) as at 31 December 2019, with a combined AUM as at that date of £13,830m and £17,051m respectively.

	All staff (\$'000s)
Fixed remuneration	15,972
Variable remuneration	9,139
Total remuneration	25,111
Number of beneficiaries	119

The aggregate 2019 total remuneration paid to UCITS Identified Staff was USD 73,636k, of which USD 4,425k relates to Senior Management and USD 69,211k relates to other Identified Staff<sup>1</sup>.

<sup>1</sup> Since 2017, the AIFMD Identified Staff disclosures includes employees of companies to which portfolio management has been formally delegated, in line with the latest ESMA guidance.

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

## 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.

## Auditors

PricewaterhouseCoopers LLP, has been the Company's Auditors 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 Auditors for a further 8 years.

## Statement of Cross Holdings

There are no holdings of the sub-funds of JPMorgan Fund III ICVC by other sub-funds of the Company.

## Privacy Policy

The ACD complies with a privacy policy that has been issued by J.P. Morgan Asset Management which can be accessed at [www.jpmorgan.com/emea-privacy-policy](http://www.jpmorgan.com/emea-privacy-policy).

## New Sub-Funds Launches

The following new sub-funds were launched on 20 September 2019:

- JPM Multi-Asset Cautious Fund
- JPM Multi-Asset Growth Fund
- JPM Multi-Asset Moderate Fund

## Change to the composition of the Board of JPMFL

Kate Jones was appointed as an Independent Non-Executive Director following approval by the FCA on 14 June 2019.

O'Brien Bennett was appointed as an Executive Director following approval by the FCA on 22 May 2020.

Nick Bloxham was appointed as an Executive Director following approval by the FCA on 1 June 2020.

## Changes to the Prospectus

### Published on 7 August 2019

- Changes to the benchmark uses disclosures to comply with the FCA rules and guidance on presentation of benchmarks.

### Published on 20 September 2019

- Addition of X and X2 share classes.
- Update to enhance tax disclosures.

### Published on 23 October 2019

- Update of "Dealing Day" definition to clarify that the ACD may declare non-dealing days on a day or days on which any exchange or market on which a substantial portion of a Fund's investments are traded is closed, and other days at the ACD's discretion.
- Update to reflect that switches will only be effected on a day which is a common dealing day for both relevant funds.

## Management and Administration

### Authorised Corporate Director

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

### 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)

### Depository

NatWest Trustee and Depository Services Limited, 250 Bishopsgate, London, EC2M 4AA  
(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

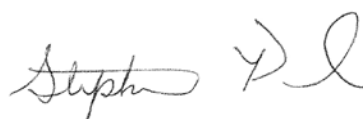
SS&C Financial Services Europe Limited  
SS&C House,  
Saint Nicholas Lane Basildon,  
Essex, SS15 5FS  
(Authorised and regulated by the Financial Conduct Authority)

By order of the Authorised Corporate Director,



### Andrew Lewis

Director  
JPMorgan Funds Limited  
6 August 2020



### Stephen Pond

Director  
JPMorgan Funds Limited  
6 August 2020



# Investment Adviser's Report for the year ending 30 April 2020

## Market review

Overall, financial markets provided positive returns for the year through December 2019, led by U.S. equity markets. But the final four months largely erased those gains as investors reacted to the global response to the COVID-19 pandemic. Leading central banks and national governments across the globe took action to stabilize financial markets and blunt the impact of shutting down large sectors of national, regional and global economies.

Among leading equity indexes for the six month period, the MSCI All Cap World Index returned -1.7%; the FTSE All-Share Index returned -16.7%; the FTSE All World Developed Europe ex-UK Index returned -7.3%. Among bond indexes for the twelve month period, the Bloomberg Barclays Global Aggregate Index - GBP Hedged returned 6.8% and the Bloomberg Barclays Sterling Aggregate Index returned 13.1%. (All performance in GBP terms, 30 April 2020, source: J.P. Morgan Asset Management).

The early part of the reporting period was largely marked by relative stability in global financial markets, despite U.S.-China trade tensions and slowing global economic growth. Central banks in the U.S. and the European Union (EU) responded to signs of economic weakening by easing monetary policies. In July, the U.S. Federal Reserve cut interest rates for the first time in more than a decade and then reduced rates further in September and again in the final week of October. The European Central Bank (ECB) also cut interest rates in September, pushing them further into negative territory, and unveiled plans to restart its quantitative easing program of asset purchases. In its policy statement, the ECB said it would continue to purchase bonds until it reached its EU inflation target of just below 2%.

The ECB's actions, which followed shrinking inflation and weakness in business surveys, particularly in the manufacturing sector, provided support to European equity markets. While investor uncertainty about the timing and specifics of the U.K.'s planned Brexit continued throughout the six month period, the potential for a "no deal" exit from the EU receded late in the period as Prime Minister Boris Johnson was able to reach an agreement with the EU and won an extension until January 31, 2020 for parliamentary

approved of the proposal. This development led to a rally in the British pound in October, which weighed on U.K. equity prices.

In China, gross domestic product growth fell to 6.0% in the third quarter of 2019 from 6.2% in the second quarter. Slowing growth led to weaker Chinese demand for imports, which impacted export-led economies across Asia and Europe. However, China's central bank moved to ease bank lending, which led to signs of increased financing in September.

Global equity markets, led by the U.S. and Europe, largely recorded gains for the final two months of 2019 on the back of accommodative policies from leading central banks and investor expectations of a reduction in trade tensions. Even as economic data showed slowing or flat growth in China, Europe and the U.S. in the final quarter of 2019, there were no indicators that the longest recorded economic expansion in the U.S. would necessarily end. In the second half of December 2019, the U.S. and China reached a "Phase One" agreement that reduced trade tariffs and headed off the implementation of new tariffs. Combined with less aggressive U.S. trade rhetoric toward Mexico and toward European and Japanese auto industries, the U.S.-China trade agreement fueled price gains in developed equity markets.

In the U.K., the Conservative Party won a large majority in national elections in December, which appeared to remove investor concerns about the possibility of a non-negotiated "hard Brexit" departure from the EU. Equity prices in the U.K. and the British pound briefly rallied on the election result.

Early January 2020 saw continued investor support for global equities that weathered a brief flare up in military tension between the U.S. and Iran. However, investor sentiment began to turn as the outbreak of COVID-19 began to impact large parts of China's economy. Emerging markets equities led a slump in global equity markets and U.S. and European government bonds largely gained. Notably, prices for benchmark Brent crude oil plummeted 11.9% in January amid shrinking demand from China and other economies hit by the pandemic.

U.S. equity prices found support in early February as companies began to report better-than-expected earnings from the final quarter of 2019. By the end of the month, global equity prices had fallen significantly

and global demand for petroleum had declined for the first time since the 2009 financial crisis. China's central bank responded to the impact of COVID-19 by cutting the prime lending rate and regional authorities across China enacted a range of actions to counter the sharp drop in economic activity. By the end of February, yields on benchmark 10-year U.S. Treasury bonds had fallen to a record low 1.1% as investors sought the perceived safety of government-backed bonds.

The month of March proved to be worse for global equities and a range of other asset classes as COVID-19 was declared a pandemic and national, regional and municipal governments implemented at-home quarantines and a range of other actions designed to prevent hospitals and health care systems from being overwhelmed. The U.S. Federal Reserve slashed interest rates, restarted its quantitative easing or asset purchasing program, and unleashed an array of programs to maintain liquidity and functioning in short-term commercial debt markets. The European Central Bank also stepped in to shore up economic activity via negative interest rates and a commitment to continue purchasing assets until no longer necessary. Statements of broad support from both central banks, along with fiscal stimulus and/or wage protection policies from national governments across the globe, helped to reduce record high volatility in financial markets. However, leading equity indexes lost 20% or more of their value during the first quarter of 2020. Corporate bond prices generally fell and the prices of Brent crude oil ended the first quarter down by 60%. Only developed market sovereign bonds and commodity gold experienced price appreciation in March 2020.

Global equity markets rebounded slightly in April and fixed income markets rallied somewhat as investors reacted positively to the actions of central banks and national governments to mitigate the economic impact of the pandemic. Price gains were seen in large cap technology stocks and pharmaceutical sector stocks. Fixed income investments benefitted from accommodative central bank policies and high quality corporate credit outperformed government bonds for the month. However, a glut in global petroleum markets sent futures prices for benchmark West Texas Intermediate crude oil into negative territory.

# Investment Adviser's Report – continued

## Market outlook

Recent data indicate that economic activity in the second quarter of 2020 will show deterioration from the first quarter. However, there is cause for investor optimism in that countries that appear to have successfully contained the outbreak of COVID-19 have begun to re-open their economies, albeit very slowly. Significant uncertainty remains regarding the timing and ability of national economies to fully reopen and being to rebound. Elevated infection rates will require longer periods of at-home quarantines and therefore the economic impact is likely to be prolonged.

Leading central banks and governments have committed themselves to mitigating the effects on financial markets and economies. The measure of their effectiveness is likely to be seen in the extent to which businesses remain solvent and workers return to employment. We believe investors may best be served by focusing on higher quality assets within both fixed income and equity markets. Companies that possess strong balance sheets may be likely to benefit from improvement in the economic outlook, while also withstanding negative investor sentiment should the impacts of the pandemic grow worse.

JPMorgan Asset Management (UK) Limited  
August 2020

# Statement of the Authorised Corporate Director

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

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

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

- comply with the Prospectus and applicable accounting standards, subject to any material departures which are required to be disclosed and explained in the financial statements;

- comply with the Statement of Recommended Practice for Authorised Funds issued by The Investment Association (formerly the Investment Management Association (IMA)) in May 2014, which supercedes the SORP issued in October 2010;
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in operation for the foreseeable future; and
- take reasonable steps for the prevention and detection of fraud, error and non-compliance with law or regulations.

The Authorised Corporate Director is required to keep proper accounting records and to manage the company in accordance with the regulations and the Prospectus.

The report has been prepared in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook. The shareholders of the ICVC are not liable for the debts of the ICVC.

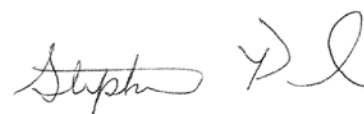


**Andrew Lewis**

Director

For and on behalf of JPMorgan Funds Limited

6 August 2020



**Stephen Pond**

Director

For and on behalf of JPMorgan Funds Limited

6 August 2020

# Statement of the Depositary's Responsibilities and Report of the Depositary to the Shareholders of JPMorgan Fund III ICVC ("the Company") for the year ended 30 April 2020

The Depositary must ensure that the Company is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Investment Funds Sourcebook, the Open-Ended Investment Companies Regulations 2001 (SI2001/1228) (the OEIC Regulations), as amended, the Financial Services and Markets Act 2000, as amended, (together "the Regulations"), the Company's Instrument of Incorporation and Prospectus (together "the Scheme documents") as detailed below.

The Depositary must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Company and its investors.

The Depositary is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the Company in accordance with the Regulations.

The Depositary must ensure that:

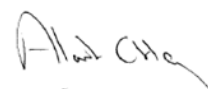
- the Company's cash flows are properly monitored and that cash of the Company is booked into the cash accounts in accordance with the Regulations;
- the sale, issue, redemption and cancellation of shares are carried out in accordance with the Regulations;
- the value of shares of the Company are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Company's assets is remitted to the Company within the usual time limits;
- the Company's income is applied in accordance with the Regulations; and
- the instructions of the Alternative Investment Fund Manager ("the AIFM") are carried out (unless they conflict with the Regulations).

The Depositary also has a duty to take reasonable care to ensure that the Company is managed in accordance with the Scheme documents and the Regulations in relation to the investment and borrowing powers applicable to the Company.

Having carried out such procedures as we consider necessary to discharge our responsibilities as Depositary of the Company, it is our opinion, based on the information available to us and the explanations provided, that in all material respects the Company, acting through the AIFM:

(i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Company's shares and the application of the Company's income in accordance with the Regulations and the Scheme documents of the Company, and

(ii) has observed the Investment and borrowing powers and restrictions applicable to the Company.



NatWest Trustee and Depositary Services  
London  
6 August 2020

# Independent Auditors' Report to the Shareholders of JPMorgan Fund III ICVC

## Report on the audit of the financial statements

### Opinion

In our opinion, the financial statements of JPMorgan Fund III ICVC (the "Company"):

- give a true and fair view of the financial position of the Company and each of the sub-funds as at 30 April 2020 and of the net revenue/expenses and the net capital gains/losses on the scheme property of the Company and each of the sub-funds for the respective periods then ended ("respective periods" is defined as 1 May 2019 to 30 April 2020 for all sub-funds except JPM Multi-Asset Cautious Fund, JPM Multi-Asset Growth Fund and JPM Multi-Asset Moderate Fund with a period 20 September 2019 to 30 April 2020); and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law), the Statement of Recommended Practice for UK Authorised Funds, the Collective Investment Schemes sourcebook and the Instrument of Incorporation.

JPMorgan Fund III ICVC is an Open Ended Investment Company ('OEIC') with 4 sub-funds. The financial statements of the Company comprise the financial statements of each of the sub-funds. We have audited the financial statements, included within the Annual Report & Financial Statements (the "Annual Report"), which comprise: the balance sheets as at 30 April 2020; the statements of total return, and the statements of changes in net assets attributable to shareholders for the year then ended; the distribution tables; the accounting policies (included in the "Policies and Risks" section); and the notes to the financial statements.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We remained independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you where:

- the Authorised Corporate Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Authorised Corporate Director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's or any of the sub-funds' ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's or any of the sub-funds' ability to continue as a going concern.

### Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Authorised Corporate Director is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

### Authorised Corporate Director's Report

In our opinion, the information given in the Authorised Corporate Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

# Independent Auditors' Report to the Shareholders of JPMorgan Fund III ICVC – continued

## Responsibilities for the financial statements and the audit

### Responsibilities of the Authorised Corporate Director for the financial statements

As explained more fully in the Statement of the Authorised Corporate Director set out on page 9, the Authorised Corporate Director is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Authorised Corporate Director is also responsible for such internal control as they 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 Authorised Corporate Director is responsible for assessing the Company's and each of the sub-funds 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 Authorised Corporate Director either intends to wind up or terminate the Company or individual sub-fund, or has no realistic alternative but to do so.

### Auditors' 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 auditors' 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: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

### Use of this report

This report, including the opinions, has been prepared for and only for the Company's shareholders as a body in accordance with paragraph 4.5.12 of the Collective Investment Schemes sourcebook as required by paragraph 67(2) of the Open-Ended Investment Companies Regulations 2001 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

## Other required reporting Opinion on matter required by the Collective Investment Schemes sourcebook

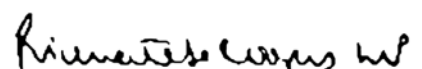
In our opinion, we have obtained all the information and explanations we consider necessary for the purposes of the audit.

### Collective Investment Schemes sourcebook exception reporting

Under the Collective Investment Schemes sourcebook we are also required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.



PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Edinburgh  
6 August 2020

# Policies and Risks

## Accounting policies

- (a) The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments, and in accordance with the Statement of Recommended Practice for UK Authorised Funds (SORP) issued by the Investment Management Association (IMA (now the Investment Association)) in May 2014 and in accordance with United Kingdom Generally Accepted Accounting Practice as defined within FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".
- (b) Dividends on equities and other collective investment schemes are recognised when the security goes ex-dividend. Accumulation distributions from shares held in other collective investment schemes are reflected as revenue of the respective Fund, and equalisation on distributions received from other collective investment schemes is deducted from the cost of the investment. Interest on deposits and other revenue is accounted for on an accruals basis.
- (c) Dividends from Real Estate Investment Trusts ("REITs") are recognised as distributable revenue when the securities are quoted ex-dividend. Dividends from US REITs are initially accounted for on a 70% revenue and 30% capital split when the security goes ex-dividend. Following the end of the calendar year, US REIT companies publish the split between revenue and capital of the dividends they have previously declared. When this information is received the initial allocation is adjusted to reflect the correct split between revenue and capital.
- (d) Management fee rebates received from underlying funds are recognised as revenue or capital in the same way as the underlying investments account for their management fee, and form part of the distribution where the underlying fund pays its management fee from revenue.
- (e) Premiums received in respect of written call options, where the express purpose is to generate extra revenue, are accrued to the revenue account on a straight line basis over the life of the contract. All other premiums on written and bought options are treated as capital. In determining the accounting treatment for other derivatives, consideration is given to the instrument itself and the Fund's objectives for investment in derivative instruments. The revenue element in respect of futures is calculated by reference to the quoted yield of the relevant index compared to LIBOR.
- (f) The underlying circumstances behind special dividends are reviewed on a case by case basis in determining whether the amount is capital or revenue in nature. Any tax treatment thereon will follow the accounting treatment of the principal amount. Amounts recognised as revenue will form part of the Fund's distribution.
- (g) Where Funds hold assets in other funds managed by an associate of the ACD then these funds are excluded from the calculation of the ACD fees paid. Operating expenses are also charged to revenue. Transaction charges and expenses relating to the purchase and sale of investments are charged directly to the capital of the Funds. Taxation is computed by reference to the revenue after expenses attributable to each class.
- (h) The charge for taxation is based at the current rate on taxable revenue for the period less allowable expenses. UK dividend income is disclosed net of any related tax credit. Overseas dividends are disclosed gross of any foreign tax suffered, with the tax element being separately disclosed in the taxation note.
- (i) The listed investments of the Funds and investments traded on regulated markets have been valued at market value at 12 noon on 30 April 2020. Market value is defined, by the SORP, as fair value which generally is the bid value of each security excluding any accrued interest in the case of floating or fixed rate securities. The SORP allows for updates to close of business valuation where there are large market movements. Exchange traded derivatives, including futures and options, are priced at the market value at 12 noon on 30 April 2020. Non-exchange traded derivatives, including contracts for difference, are valued using information provided by the relevant third party brokers and as a consequence are the close of business values on the prior business day, and are then translated to Sterling using the exchange rate at 12 noon on 30 April 2020. Investments in collective investment schemes managed by the ACD or its associates have been valued either at the quoted price calculated as at 12 noon on 30 April 2020 or the latest quoted price available at that time. Investments in other Collective Investment Schemes have been valued at the latest quoted price available at 12 noon on 30 April 2020. Exchange traded derivatives including futures, are priced at the market value at 12 noon on 30 April 2020.
- (j) All transactions in foreign currencies are converted into Sterling at the rates of exchange ruling at the date of such transactions. The unrealised asset or liability position of each forward foreign currency contract held at the year end is determined with reference to the spot currency rate and the expected interest rate return over the currency contract to settlement date. Foreign currency assets and liabilities at the end of the accounting period are translated at the exchange rate at 12 noon on 30 April 2020.
- (k) The funds may apply a dilution adjustment, intended to cover certain dealing charges which could have a diluting effect on the performance of the funds. This adjustment is at the discretion of the ACD. Where applied it is included within the dealing price available to shareholders. For the purpose of disclosure within these financial statements the issues and redemptions are stated at the mid-market price with dilution adjustments disclosed separately. For the year ended 30 April 2020 the dilution adjustment has been shown separately on the Statement of change in net assets attributable to shareholders.

- (l) In accordance with the AIFMD requirements, the Funds have treated some investments in the Portfolio statement as Cash equivalents for the purposes of the Balance Sheet disclosure. Investments are regarded as Cash equivalents if they meet all of the following criteria:
- highly liquid investments held in Sterling that are readily convertible to a known amount of cash;
  - are subject to an insignificant risk of change in value; and
  - provide a return no greater than the rate of a three month high quality government bond.

## Distribution policies

- (a) The income available for distribution for each Fund is the total revenue earned by the Fund, less deductible expenses and taxation charged to revenue. Accumulation distributions from shares held in other Collective Investment Schemes are reflected as revenue of the Funds and form part of the distribution. Income will be distributed on 31 July 2020.
- (b) The Funds are not more than 60% invested in qualifying investments (as defined by SI2006/964) and where applicable will pay a dividend distribution.
- (c) The ordinary element of stocks received in lieu of cash dividends is recognised as revenue of the respective Fund, and forms part of the distribution. Any excess in value of shares received over the amount of cash forgone is reviewed on a case by case basis and treated appropriately as income or capital.
- (d) Revenue and not share class specific expenses are allocated each day pro rata to the value of assets attributable to each class. The ACD's annual fee is charged to revenue of the respective share class.

## Financial instruments

In pursuing its investment objective as stated in the Fund highlights of each individual fund, the Company holds a number of financial instruments. The Company's financial instruments, other than derivatives, comprise securities and other investments, cash balances, debtors and creditors that arise directly from its operations, for example, in respect of sales and purchases awaiting settlement, amounts receivable for creations and payable for redemptions and debtors for accrued income.

The main risks arising from the Company's financial instruments and the ACD's policies for managing these risks are summarised below. These policies have been applied throughout the period.

### Market price risk

Market price risk is the risk that the value of the Company's investment holdings will fluctuate as a result of changes in market prices caused by factors other than interest rate or foreign currency movement. Market price risk arises mainly from uncertainty about future prices of financial instruments the Company holds. It represents the potential loss the Company might suffer through holding market positions in the face of price movements. The Company's investment portfolio is exposed to market price fluctuations, which are monitored by the ACD in pursuance of the investment objective and policy as set out in the Prospectus.

Adherence to investment guidelines and to investment and borrowing powers set out in the Instrument of Incorporation and in the Financial Conduct Authority's Collective Investment Schemes Sourcebook mitigates the risk of excessive exposure to any particular type of security or issuer.

### Foreign currency risk

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

A proportion of some of the Company's investment portfolios are invested in overseas securities and the balance sheet can be affected by movements in foreign exchange rates. The ACD may seek to manage exposure to currency movements by using forward currency contracts or by hedging the Sterling value of investments that are priced in other currencies. Income received in other currencies is converted to Sterling on the date of the transaction.

See the respective Fund for its foreign currency profile

### Interest rate risk

Interest rate risk is the risk that the value of the Company's investment holdings will fluctuate as a result of changes in interest rates.

The Fund may invest in fixed and floating rate securities. The income of the Fund may be affected by changes to interest rates relevant to particular securities or as a result of the ACD being unable to secure similar returns on the expiry of contracts or sale of securities. The value of fixed interest securities may be affected by interest rate movements or the expectation of such movements in the future. Interest receivable on bank deposits or payable on bank overdraft positions will be affected by fluctuations in interest rates.

See the Fund for its interest rate profile.

# Policies and Risks – continued

## Financial instruments – continued

### Liquidity risk

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

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

To manage these risks the Investment Manager undertakes detailed research to select appropriate investment opportunities in line with the Fund's objective. All stocks are valued daily but those stocks identified as being less liquid are reviewed on a regular basis for pricing accuracy.

### Credit risk/Counterparty risk

Certain transactions in securities that the Company enters into expose it to the risk that the counterparty will not deliver the investment for a purchase, or cash for a sale after the Company has fulfilled its responsibilities. The Company only buys and sells investments through brokers which have been approved by the ACD as an acceptable counterparty. In addition, limits are set to the exposure to any individual broker that may exist at any time and changes in brokers' financial ratings are reviewed.

### Derivative risk

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

### Fair value of financial assets and financial liabilities

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

### Related party transactions

JPMorgan Funds Limited, as Authorised Corporate Director ("ACD"), is a related party, and acts as principal in respect of all transactions of shares in the Company.

ACD fees and operating expenses paid to JPMorgan Funds Limited and their associates are shown in Note 4 and details of shares issued and cancelled by the ACD are shown in the Statement of change in net assets attributable to shareholders in the Fund's financial statements.

Investments considered to be related parties have been identified in the portfolio statement of the Sub-Fund and the revenue from these investments is disclosed in the financial statements.

Material holdings in the Sub-Funds are disclosed in the respective Sub-Fund's account.



# JPM Diversified Growth Fund

## Investment objective and policy

The Fund aims to provide long term capital growth by investing in a diversified mix of asset classes. As a result of its diversified portfolio the Fund is expected to have a lower level of volatility than equity markets as represented by the MSCI World Index.

The Fund may invest either directly or via collective investment schemes, which may be managed by the Investment Adviser or any other member of JPMorgan Chase & co., in a broad range of assets including, but not limited to, global equities, fixed income (including high yield and emerging market debt), alternatives (including private equity and property) and cash and cash equivalents. The Fund may have exposure to Emerging Markets and smaller companies.

**The Fund may use Financial Derivative Instruments (derivatives) for investment purposes or Efficient Portfolio Management including hedging, where appropriate (see Section 11.6 of the Prospectus for Risk Warnings on derivatives).**

The Fund may invest in assets denominated in any currency and non-Sterling currency exposure (excluding Emerging Markets local currency) will 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 may use Financial Derivative Instruments (derivatives) and/or forward transactions for investment purposes. The value of derivatives can be volatile. This is because a small movement in the value of the underlying asset can cause a large movement in the value of the derivative and therefore, investment in derivatives may result in losses in excess of the amount invested by the Fund.

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

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

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

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

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

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.

## Market review

Over the one-year period through to 30 April 2020, global markets experienced dramatic moves in both directions. Although 2019 was a year of dislocation and disruption, accommodative central-bank policy, easing global geopolitical conditions and improved signs of global-growth conditions in the fourth quarter saw markets rally sharply over the year. Then, while 2020 started with positive momentum on the back of a promising corporate-earnings cycle, the outbreak of the COVID-19 pandemic began, which significantly hampered markets at the end of January through to the end of March. However, markets recovered some losses in April.

Over 2019, economic activity and asset markets moved in opposing directions as earnings growth flatlined and world GDP sank to below trend, yet all major asset classes posted handsome gains. With broad economic indicators moving downwards to start 2019, global central banks signalled that additional stimulus would be provided throughout the year to counter any signs of a growth slowdown, which was well received by equity markets. Over the summer, there were brief periods of heightened volatility as markets traded sideways on the back of the US-China trade dispute and the ongoing uncertainty surrounding Brexit negotiations. However, as the fourth quarter saw a clear outcome in the UK general election, a potential 'phase one' trade deal between the US and China moved forward, and manufacturing surveys begin to pick up, a sense of optimism carried risk assets higher.

While this sense of optimism carried into the first half of January 2020, global equity markets fell dramatically in the first quarter of 2020. The outbreak of the novel coronavirus, COVID-19, escalated from a regional epidemic at the start of the year to a pernicious global pandemic by the end of the first quarter. In response, governments took extraordinary measures to contain the pandemic. Towards the end of March, markets recovered some of the losses as major central banks rushed to approve record stimulus packages and central banks launched programmes to support liquidity and demand for fixed-income assets. Markets continued to rebound strongly in April. COVID-19 continued to spread, but some countries saw daily new-infection rates start to fall and plans for the gradual reopening of economies were laid out.

## Fund performance

Over the one-year period, global equities fell, while core fixed-income markets provided modest positive returns. With that backdrop in mind, the Fund generated a negative total return and underperformed its benchmark.

Security selection contributed to performance, while active asset allocation detracted during the period. In terms of security selection, the largest contributors were the US and emerging-market (EM) equity managers. In terms of asset allocation, the largest detractor was relative-value equity positioning, combined with being on the wrong side of stock-bond decisions in the fourth quarter of 2019 and first quarter of 2020.

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.

## Fund positioning

Over the one-year period, the Fund tended to be underweight stocks versus bonds. While positive market developments were unfolding at the end of 2019, the beginning of the fourth quarter was still marked by uncertainty regarding US-China trade negotiations and an uninspiring global economic growth picture. The Fund moved to overweight stocks versus bonds in December as the growth picture began improving. However, the Fund cut equity risk dramatically, starting in March, following the novel coronavirus outbreak. Within equities, we maintained relative-value preferences for US and EM equities, while our least-preferred markets were Japan and Europe.

In terms of fixed income, we are modestly underweight duration. Bond yields are at historically low levels, but monetary policy remains accommodative and duration still provides diversification in a multi-asset context. We prefer US Treasuries to German Bunds.

## Outlook

The COVID-19 crisis, and associated market moves, unfolded with extraordinary and unparalleled speed. In time, we believe, the economy will bounce back; however, the repricing of risk assets to discount left-tail risk is striking. We think markets have entered a new phase in which they are increasingly taking cues from slower-moving news flow covering how lockdowns are likely to be lifted and are looking to economic data for May and June.

With that backdrop in mind, we are cautiously positioned in the portfolio and remain underweight stocks versus bonds. We also hold a significant allocation to cash as we monitor financial markets for opportunities, as and when they present themselves.

## Fund statistics

Risk and Reward Profile	5 <sup>†</sup> (5 at 31 October 2019)		
Fund size	£62.3m		
Benchmark Index <sup>^</sup>	ICE 1 month GBP Libor		
Fund charges and expenses	A-Class	B-Class	C-Class
Initial charge (max.)	Nil	Nil	Nil
Exit charge	Nil	Nil	Nil
Fund expenses (comprises)			
Annual management fee	0.70%	0.45%	0.35%
Operating expenses (max.)	0.15%	0.15%	0.15%
Synthetic fee adjustment from underlying fund holdings	0.08%	0.08%	0.08%

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

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

<sup>^</sup> The benchmark was changed from 50% FTSE All-share Index (Net)/50% FTSE World ex-UK Index (Net) to ICE 1 month GBP Libor effective 13 April 2018.

Source: FTSE International Limited ("FTSE") © FTSE 2014. "FTSE" is a trade mark of London Stock Exchange Plc and The Financial Times Limited and is used by FTSE International Limited under licence. All rights in the FTSE indices and/or FTSE ratings vest in FTSE and/or its licensors. Neither FTSE nor its licensors accept any liability for any errors or omissions in the FTSE indices and/or FTSE ratings or underlying data. No further distribution of FTSE Data is permitted without FTSE's express written consent.

## Comparative tables

A-Class Accumulation Shares	2020 <sup>‡</sup> pps	2019 pps	2018 pps
<b>Change in net asset value per share</b>			
Opening net asset value per share	271.22	261.55	249.54
Return before operating charges*	(15.32)	12.12	16.67
Operating charges	(2.57)	(2.45)	(4.66)
Return after operating charges*	(17.89)	9.67	12.01
Distributions	(4.19)	(3.68)	(2.34)
Retained distributions on accumulation shares	4.19	3.68	2.34
Closing net asset value per share	253.33	271.22	261.55
* after direct transaction costs of	(0.03)	(0.08)	(0.19)

### Performance

% Return after operating charges <sup>^</sup>	(6.60)%	3.70%	4.81%
% Benchmark index <sup>^^</sup>	0.65%	0.68%	0.38%

### Other information

Closing net asset value (£'000)	12,034	50,331	52,940
Closing number of shares	4,750,140	18,557,485	20,241,018
% Operating charges	0.93%	0.93%	0.86%
% Direct transaction costs	0.01%	0.03%	0.07%

### Prices

Highest share price	291.3	271.3	278.9
Lowest share price	229.6	247.9	249.7

## Comparative tables (continued)

B-Class Accumulation Shares	2020 <sup>‡</sup> pps	2019 pps	2018 pps
<b>Change in net asset value per share</b>			
Opening net asset value per share	277.62	267.25	253.79
Return before operating charges*	(15.76)	12.23	15.08
Operating charges	(1.91)	(1.86)	(1.62)
Return after operating charges*	(17.67)	10.37	13.46
Distributions	(4.99)	(4.25)	(3.60)
Retained distributions on accumulation shares	4.99	4.25	3.60
Closing net asset value per share	259.95	277.62	267.25
* after direct transaction costs of	(0.03)	(0.08)	(0.09)

<b>Performance</b>			
% Return after operating charges <sup>^</sup>	(6.36)%	3.88%	5.30%
% Benchmark index <sup>^^</sup>	0.65%	0.68%	0.38%

<b>Other information</b>			
Closing net asset value (£'000)	30,954	165	211
Closing number of shares	11,907,493	59,335	78,792
% Operating charges	0.68%	0.69%	0.61%
% Direct transaction costs	0.01%	0.03%	0.07%

<b>Prices</b>			
Highest share price	298.8	277.7	284.6
Lowest share price	235.5	253.6	254.1

C-Class Accumulation Shares	2020 <sup>‡</sup> pps	2019 pps	2018 pps
<b>Change in net asset value per share</b>			
Opening net asset value per share	280.59	270.15	256.28
Return before operating charges*	(16.55)	12.05	16.22
Operating charges	(1.66)	(1.61)	(2.35)
Return after operating charges*	(18.21)	10.44	13.87
Distributions	(4.65)	(4.25)	(3.94)
Retained distributions on accumulation shares	4.65	4.25	3.94
Closing net asset value per share	262.38	280.59	270.15
* after direct transaction costs of	(0.03)	(0.08)	(0.17)

<b>Performance</b>			
% Return after operating charges <sup>^</sup>	(6.49)%	3.86%	5.41%
% Benchmark index <sup>^^</sup>	0.65%	0.68%	0.38%

<b>Other information</b>			
Closing net asset value (£'000)	19,297	28,372	30,432
Closing number of shares	7,354,778	10,111,806	11,264,844
% Operating charges	0.59%	0.58%	0.51%
% Direct transaction costs	0.01%	0.03%	0.07%

<b>Prices</b>			
Highest share price	301.6	280.7	287.6
Lowest share price	237.8	256.4	256.6

The Operating charges are calculated on an accruals basis and as such may differ from the Ongoing charge figure where:

(a) Changes to fee rates were made during the year and the Ongoing charge figure has been amended to be future proofed for this change.

(b) The Ongoing charge has been annualised for a share class that has not yet been open for a full year. Please refer to the Direct transaction costs note on page 28, for more detail regarding the nature of transaction costs and how they arise for different types of investments.

‡ To 30 April 2020.

<sup>^</sup> Performance returns are calculated using the net asset value per share from the financial statements as opposed to the dealing price for the last business day of the period.

<sup>^^</sup> The benchmark was changed from 50% FTSE All-share Index (Net)/50% FTSE World ex-UK Index (Net) to ICE 1 month GBP Libor effective 13 April 2018. 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. All equity indices stated as 'Net' are calculated net of tax as per the standard published approach by the index vendor unless stated otherwise.

Asset breakdown	%
Equities	49.43
Collective Investment Schemes	46.52
Liquidity Funds	0.18
Forward Currency Contracts	(0.05)
Futures	(3.86)
Net other assets	7.78

Please remember that past performance is not a guide to future performance and it might not be repeated. The value of investments and the revenue from them may go down as well as up and investors may not get back the amount originally invested. Because of this, you are not certain to make a profit on your investments and you may lose money.

# Portfolio statement

As at 30 April 2020

Investment	Holding	Market value £'000	Total net assets %
<b>Collective Investment Schemes 46.52% (51.63%)</b>			
JPM Emerging Markets Fund X - Net Income <sup>o</sup>	886,632	962	1.55
JPM Emerging Markets Opportunities Fund X (dist) - GBP <sup>o</sup>	9,276	1,356	2.18
JPM Global Convertibles (EUR) Fund X (dist) - GBP (hedged) <sup>o</sup>	45,582	4,548	7.30
JPM Global Corporate Bond Fund X (dist) - GBP (hedged) <sup>o</sup>	118,290	7,613	12.22
JPM Global Government Bond Fund X (dist) - GBP (hedged) <sup>o</sup>	14,835	1,627	2.61
JPM Global High Yield Bond Fund X - Gross Accumulation <sup>o</sup>	4,111,847	6,135	9.85
JPM Global Real Estate Securities (USD) Fund I (dist) - EUR (hedged) <sup>o</sup>	37,082	2,957	4.75
JPM Systematic Alpha Fund X (dist) - GBP (hedged) <sup>o</sup>	50,507	3,776	6.06
<b>Collective Investment Schemes total</b>		<b>28,974</b>	<b>46.52</b>

## Equities 49.43% (45.31%)

### Argentina 0.03% (0.02%)

MercadoLibre, Inc.	33	16	0.03
		<b>16</b>	<b>0.03</b>

### Australia 0.79% (0.97%)

AGL Energy Ltd.	390	3	-
Alumina Ltd.	4,026	4	0.01
APA Group	1,061	6	0.01
Aristocrat Leisure Ltd.	252	3	-
Aurizon Holdings Ltd.	2,412	6	0.01
Australia & New Zealand Banking Group Ltd.	2,718	24	0.04
BHP Group Ltd.	2,473	42	0.07
BHP Group plc	3,105	43	0.07
Boral Ltd.	765	1	-
Brambles Ltd.	1,148	7	0.01
Caltex Australia Ltd.	279	4	0.01
Coca-Cola Amatil Ltd.	817	4	0.01
Cochlear Ltd.	67	6	0.01
Coles Group Ltd.	807	7	0.01
Commonwealth Bank of Australia	1,146	38	0.06
Computershare Ltd.	636	4	0.01
CSL Ltd.	348	56	0.09
Fortescue Metals Group Ltd.	561	3	0.01
Goodman Group, REIT	1,515	10	0.02
GPT Group (The), REIT	4,767	11	0.02
Incitec Pivot Ltd.	934	1	-
Insurance Australia Group Ltd.	1,344	4	0.01
Lendlease Group	412	3	-
Macquarie Group Ltd.	258	14	0.02
Mirvac Group, REIT	9,960	12	0.02
National Australia Bank Ltd.	1,672	15	0.02
Newcrest Mining Ltd.	534	8	0.01
Orica Ltd.	443	4	0.01
Origin Energy Ltd.	1,135	3	0.01
QBE Insurance Group Ltd.	1,853	8	0.01
Ramsay Health Care Ltd.	135	4	0.01
REA Group Ltd.	79	4	0.01
Rio Tinto Ltd.	378	17	0.03
Santos Ltd.	1,021	3	-
Sonic Healthcare Ltd.	183	3	-
South32 Ltd.	4,847	5	0.01
Stockland, REIT	1,850	3	-
Suncorp Group Ltd.	1,677	8	0.01
Sydney Airport	1,293	4	0.01
Tabcorp Holdings Ltd.	1,772	3	-
Telstra Corp. Ltd.	1,090	2	-
TPG Telecom Ltd.	596	2	-
Transurban Group	1,887	14	0.02
Treasury Wine Estates Ltd.	399	2	-
Wesfarmers Ltd.	807	16	0.03
Westpac Banking Corp.	2,863	24	0.04
Woodside Petroleum Ltd.	546	6	0.01
Woolworths Group Ltd.	1,125	21	0.03
		<b>495</b>	<b>0.79</b>

### Austria 0.04% (0.05%)

Erste Group Bank AG	1,389	24	0.04
		<b>24</b>	<b>0.04</b>

Investment	Holding	Market value £'000	Total net assets %
<b>Belgium 0.05% (0.10%)</b>			
Anheuser-Busch InBev SA/NV	591	22	0.03
KBC Group NV	278	12	0.02
		<b>34</b>	<b>0.05</b>

### Bermuda 0.01% (0.00%)

RenaissanceRe Holdings Ltd.	49	6	0.01
		<b>6</b>	<b>0.01</b>

### Canada 1.33% (1.40%)

Agnico Eagle Mines Ltd.	231	11	0.02
Alimentation Couche-Tard, Inc. 'B'	856	20	0.03
Bank of Montreal	531	23	0.04
Bank of Nova Scotia (The)	1,011	34	0.05
Barrick Gold Corp.	1,776	38	0.06
BCE, Inc.	150	5	0.01
Brookfield Asset Management, Inc. 'A'	1,299	37	0.06
Cameco Corp.	348	3	0.01
Canadian Imperial Bank of Commerce	369	18	0.03
Canadian National Railway Co.	672	46	0.07
Canadian Natural Resources Ltd.	1,173	16	0.03
Canadian Pacific Railway Ltd.	130	25	0.04
Cenovus Energy, Inc.	1,023	3	0.01
CGI, Inc. 'A'	240	12	0.02
CI Financial Corp.	226	2	-
Constellation Software, Inc.	20	16	0.03
Dollarama, Inc.	289	7	0.01
Emera, Inc.	237	8	0.01
Enbridge, Inc.	1,791	46	0.07
Fairfax Financial Holdings Ltd.	28	6	0.01
Fortis, Inc.	423	14	0.02
Franco-Nevada Corp.	186	20	0.03
Great-West Lifeco, Inc.	270	4	0.01
IGM Financial, Inc.	83	1	-
Imperial Oil Ltd.	269	4	0.01
Intact Financial Corp.	134	10	0.02
Inter Pipeline Ltd.	344	2	-
Keyera Corp.	186	2	-
Kirkland Lake Gold Ltd.	200	7	0.01
Loblaw Cos. Ltd.	183	7	0.01
Magna International, Inc. (CAD)	294	9	0.01
Magna International, Inc. (USD)	527	17	0.03
Manulife Financial Corp.	1,912	20	0.03
Metro, Inc.	245	8	0.01
National Bank of Canada	278	9	0.01
Nutrien Ltd.	586	17	0.03
Open Text Corp.	264	8	0.01
Pembina Pipeline Corp.	449	9	0.01
Power Corp. of Canada	294	4	0.01
Restaurant Brands International, Inc.	243	10	0.02
Rogers Communications, Inc. 'B'	352	12	0.02
Royal Bank of Canada	1,185	60	0.10
Shaw Communications, Inc. 'B'	455	6	0.01
Shopify, Inc. 'A'	77	39	0.06
Sun Life Financial, Inc.	577	16	0.03
Suncor Energy, Inc.	1,540	23	0.04
TC Energy Corp.	817	32	0.05
Teck Resources Ltd. 'B'	507	4	0.01
Thomson Reuters Corp.	197	11	0.02
Toronto-Dominion Bank (The)	1,506	52	0.08
Wheaton Precious Metals Corp.	453	15	0.02
		<b>828</b>	<b>1.33</b>

### China 0.07% (0.04%)

BOC Hong Kong Holdings Ltd.	5,000	12	0.02
Prosus NV	360	22	0.04
Sands China Ltd.	2,400	8	0.01
Yangzijiang Shipbuilding Holdings Ltd.	1,500	1	-
		<b>43</b>	<b>0.07</b>

### Denmark 0.34% (0.21%)

Carlsberg A/S 'B'	315	31	0.05
Novo Nordisk A/S 'B'	2,297	117	0.19
Novozymes A/S 'B'	709	28	0.04
Orsted A/S	460	37	0.06
		<b>213</b>	<b>0.34</b>

### Finland 0.11% (0.20%)

Elisa OYJ	616	30	0.05
UPM-Kymmene OYJ	1,816	40	0.06
		<b>70</b>	<b>0.11</b>

# Portfolio statement – continued

As at 30 April 2020

Investment	Holding	Market value £'000	Total net assets %
<b>France 1.45% (1.55%)</b>			
Accor SA	958	22	0.04
Air Liquide SA	462	48	0.08
Airbus SE	724	38	0.06
Alstom SA	943	31	0.05
Arkema SA	377	25	0.04
AXA SA	2,233	33	0.05
BioMerieux	258	26	0.04
BNP Paribas SA	1,682	43	0.07
Capgemini SE	505	38	0.06
Danone SA	140	8	0.01
Dassault Systemes SE	246	29	0.05
Eiffage SA	199	13	0.02
Kering SA	99	40	0.06
L'Oreal SA	167	38	0.06
LVMH Moet Hennessy Louis Vuitton SE	288	91	0.15
Orange SA	3,650	36	0.06
Pernod Ricard SA	217	26	0.04
Peugeot SA	434	5	0.01
Safran SA	486	37	0.06
Sanofi	663	51	0.08
Schneider Electric SE	815	60	0.10
Thales SA	558	34	0.06
TOTAL SA	2,174	63	0.10
Vinci SA	779	52	0.08
Vivendi SA	791	14	0.02
		<b>901</b>	<b>1.45</b>
<b>Germany 1.15% (1.05%)</b>			
adidas AG	247	45	0.07
Allianz SE	476	72	0.12
BASF SE	505	21	0.03
Bayer AG	762	41	0.07
Beiersdorf AG	179	15	0.02
Daimler AG	914	25	0.04
Deutsche Post AG	2,525	60	0.10
Deutsche Telekom AG	4,780	56	0.09
Infinion Technologies AG	2,677	40	0.06
Merck KGaA	395	37	0.06
MTU Aero Engines AG	167	19	0.03
Muenchener Rueckversicherungs-Gesellschaft AG	248	45	0.07
RWE AG	1,051	24	0.04
SAP SE	986	95	0.15
Siemens AG	884	66	0.11
Volkswagen AG Preference	515	58	0.09
		<b>719</b>	<b>1.15</b>
<b>Guernsey 2.58% (2.38%)</b>			
HarbourVest Global Private Equity Ltd.	112,082	1,609	2.58
		<b>1,609</b>	<b>2.58</b>
<b>Hong Kong 0.41% (0.51%)</b>			
AIA Group Ltd.	9,000	67	0.11
ASM Pacific Technology Ltd.	300	2	-
CK Asset Holdings Ltd.	1,500	7	0.01
CK Infrastructure Holdings Ltd.	1,500	7	0.01
CLP Holdings Ltd.	1,500	13	0.02
Hang Seng Bank Ltd.	700	10	0.02
Henderson Land Development Co. Ltd.	2,420	8	0.01
HKT Trust & HKT Ltd.	3,000	4	0.01
Hong Kong & China Gas Co. Ltd.	6,120	9	0.01
Hong Kong Exchanges & Clearing Ltd.	1,200	31	0.05
Hongkong Land Holdings Ltd.	900	3	0.01
Jardine Matheson Holdings Ltd.	100	3	0.01
Kerry Properties Ltd.	1,500	3	-
Link REIT	1,500	11	0.02
MTR Corp. Ltd.	1,500	7	0.01
New World Development Co. Ltd.	3,000	3	-
NWS Holdings Ltd.	2,000	2	-
Power Assets Holdings Ltd.	1,500	8	0.01
Sino Land Co. Ltd.	6,000	7	0.01
Sun Hung Kai Properties Ltd.	1,500	16	0.03
Swire Pacific Ltd. 'A'	1,000	5	0.01
Techtronic Industries Co. Ltd.	1,000	6	0.01
WH Group Ltd.	4,000	3	0.01
Wharf Real Estate Investment Co. Ltd.	2,000	7	0.01
Wheelock & Co. Ltd.	2,000	12	0.02
Yue Yuen Industrial Holdings Ltd.	1,500	2	-
		<b>256</b>	<b>0.41</b>

Investment	Holding	Market value £'000	Total net assets %
<b>Ireland 0.20% (0.21%)</b>			
CRH plc	1,676	41	0.06
Kerry Group plc 'A'	330	29	0.05
Kingspan Group plc	752	31	0.05
Ryanair Holdings plc	2,520	23	0.04
		<b>124</b>	<b>0.20</b>
<b>Israel 0.02% (0.02%)</b>			
Teva Pharmaceutical Industries Ltd., ADR	1,319	12	0.02
		<b>12</b>	<b>0.02</b>
<b>Italy 0.27% (0.24%)</b>			
Davide Campari-Milano SpA	4,089	25	0.04
Enel SpA	10,951	60	0.09
FinecoBank Banca Fineco SpA	2,672	24	0.04
Snam SpA	8,615	31	0.05
UniCredit SpA	4,671	29	0.05
		<b>169</b>	<b>0.27</b>
<b>Japan 3.74% (3.01%)</b>			
Alfresa Holdings Corp.	100	2	-
Amada Co. Ltd.	1,000	7	0.01
Asahi Group Holdings Ltd.	700	20	0.03
Asahi Intecc Co. Ltd.	100	2	-
Asahi Kasei Corp.	2,200	13	0.02
Astellas Pharma, Inc.	1,400	19	0.03
Bandai Namco Holdings, Inc.	300	12	0.02
Bridgestone Corp.	300	8	0.01
Canon, Inc.	500	9	0.01
Central Japan Railway Co.	200	25	0.04
Chubu Electric Power Co., Inc.	900	10	0.02
Chugai Pharmaceutical Co. Ltd.	200	19	0.03
Dai Nippon Printing Co. Ltd.	200	3	0.01
Daicel Corp.	800	5	0.01
Dai-ichi Life Holdings, Inc.	800	8	0.01
Daiichi Sankyo Co. Ltd.	700	39	0.06
Daikin Industries Ltd.	300	31	0.05
Daito Trust Construction Co. Ltd.	100	8	0.01
Daiwa House Industry Co. Ltd.	900	19	0.03
Daiwa House REIT Investment Corp.	2	4	0.01
Denso Corp.	700	20	0.03
Dentsu Group, Inc.	300	5	0.01
East Japan Railway Co.	300	18	0.03
Eisai Co. Ltd.	200	11	0.02
Electric Power Development Co. Ltd.	700	11	0.02
FANUC Corp.	200	27	0.04
Fast Retailing Co. Ltd.	100	39	0.06
FUJIFILM Holdings Corp.	500	19	0.03
Fujitsu Ltd.	200	16	0.03
Fukuoka Financial Group, Inc.	700	8	0.01
Hankyu Hanshin Holdings, Inc.	200	6	0.01
Hino Motors Ltd.	800	4	0.01
Hitachi Ltd.	1,300	32	0.05
Honda Motor Co. Ltd.	1,900	37	0.06
Hoya Corp.	400	30	0.05
Idemitsu Kosan Co. Ltd.	100	2	-
Inpex Corp.	300	2	-
ITOCHU Corp.	1,800	29	0.05
J Front Retailing Co. Ltd.	1,000	7	0.01
Japan Airlines Co. Ltd.	500	7	0.01
Japan Exchange Group, Inc.	400	6	0.01
Japan Post Holdings Co. Ltd.	400	3	0.01
Japan Prime Realty Investment Corp., REIT	1	2	-
Japan Real Estate Investment Corp., REIT	1	4	0.01
Japan Retail Fund Investment Corp., REIT	3	3	0.01
Japan Tobacco, Inc.	1,100	17	0.03
JFE Holdings, Inc.	200	1	-
JTEKT Corp.	200	1	-
JXTG Holdings, Inc.	5,600	16	0.03
Kajima Corp.	1,400	12	0.02
Kansai Paint Co. Ltd.	100	2	-
Kao Corp.	600	37	0.06
KDDI Corp.	1,300	30	0.05
Keikyu Corp.	200	3	0.01
Keyence Corp.	200	58	0.09
Kikkoman Corp.	100	4	0.01
Kintetsu Group Holdings Co. Ltd.	100	4	0.01
Kirin Holdings Co. Ltd.	1,000	16	0.03
Komatsu Ltd.	1,100	17	0.03

# Portfolio statement – continued

As at 30 April 2020

Investment	Holding	Market value £'000	Total net assets %	Investment	Holding	Market value £'000	Total net assets %
Konami Holdings Corp.	400	10	0.02	Suntory Beverage & Food Ltd.	100	3	0.01
Kubota Corp.	1,600	16	0.03	Suzuken Co. Ltd.	100	3	-
Kuraray Co. Ltd.	900	7	0.01	Suzuki Motor Corp.	600	16	0.03
Kurita Water Industries Ltd.	100	2	-	T&D Holdings, Inc.	1,500	11	0.02
Kyocera Corp.	300	13	0.02	Taiheiyo Cement Corp.	400	6	0.01
Kyowa Kirin Co. Ltd.	800	15	0.02	Taisei Corp.	400	10	0.02
M3, Inc.	600	17	0.03	Takeda Pharmaceutical Co. Ltd.	1,300	38	0.06
Marui Group Co. Ltd.	600	8	0.01	TDK Corp.	100	7	0.01
MEIJI Holdings Co. Ltd.	100	6	0.01	Terumo Corp.	800	21	0.03
MINEBEA MITSUMI, Inc.	500	7	0.01	Tohoku Electric Power Co., Inc.	400	3	-
MISUMI Group, Inc.	100	2	-	Tokio Marine Holdings, Inc.	800	30	0.05
Mitsubishi Corp.	1,800	31	0.05	Tokyo Electric Power Co. Holdings, Inc.	500	1	-
Mitsubishi Electric Corp.	1,500	15	0.02	Tokyo Electron Ltd.	200	34	0.05
Mitsubishi Estate Co. Ltd.	1,500	20	0.03	Tokyo Gas Co. Ltd.	700	12	0.02
Mitsubishi UFJ Financial Group, Inc.	13,200	43	0.07	Tokyu Corp.	1,300	16	0.03
Mitsui & Co. Ltd.	1,300	15	0.02	Toppan Printing Co. Ltd.	200	2	-
Mitsui Chemicals, Inc.	800	13	0.02	Toray Industries, Inc.	900	3	-
Mitsui Fudosan Co. Ltd.	1,400	21	0.03	Toshiba Corp.	400	8	0.01
Mizuho Financial Group, Inc.	12,900	12	0.02	Toyota Industries Corp.	100	4	0.01
MS&AD Insurance Group Holdings, Inc.	300	7	0.01	Toyota Motor Corp.	2,300	115	0.18
Murata Manufacturing Co. Ltd.	700	31	0.05	Toyota Tsusho Corp.	100	2	-
Nabtesco Corp.	500	12	0.02	Trend Micro, Inc.	100	4	0.01
Nexon Co. Ltd.	500	7	0.01	Unicharm Corp.	200	6	0.01
NGK Spark Plug Co. Ltd.	600	7	0.01	United Urban Investment Corp., REIT	3	2	-
NH Foods Ltd.	200	6	0.01	Yakult Honsha Co. Ltd.	100	5	0.01
Nidec Corp.	600	28	0.05	Yamato Holdings Co. Ltd.	300	4	0.01
Nintendo Co. Ltd.	100	33	0.05	Yaskawa Electric Corp.	100	3	-
Nippon Building Fund, Inc., REIT	1	5	0.01	Z Holdings Corp.	3,000	9	0.01
Nippon Express Co. Ltd.	200	8	0.01			<b>2,327</b>	<b>3.74</b>
Nippon Prologis REIT, Inc.	1	2	-				
Nippon Steel Corp.	1,000	7	0.01	<b>Luxembourg 0.00% (0.03%)</b>			
Nippon Telegraph & Telephone Corp.	1,800	33	0.05	<b>Macau 0.03% (0.03%)</b>			
Nippon Yusen KK	500	5	0.01	Galaxy Entertainment Group Ltd.	3,000	15	0.03
Nissan Motor Co. Ltd.	1,900	5	0.01	Wynn Macau Ltd.	1,200	2	-
Nissin Foods Holdings Co. Ltd.	100	7	0.01			<b>17</b>	<b>0.03</b>
Nitori Holdings Co. Ltd.	200	25	0.04				
Nitto Denko Corp.	100	4	0.01	<b>Netherlands 0.87% (0.88%)</b>			
Nomura Holdings, Inc.	1,300	4	0.01	Akzo Nobel NV	785	47	0.07
Nomura Real Estate Master Fund, Inc., REIT	3	3	0.01	ASML Holding NV	472	114	0.18
Nomura Research Institute Ltd.	800	16	0.03	Heineken NV	487	33	0.05
NTT DOCOMO, Inc.	1,700	40	0.06	ING Groep NV	7,668	35	0.06
Oji Holdings Corp.	800	3	-	Koninklijke Ahold Delhaize NV	2,350	46	0.07
Olympus Corp.	800	10	0.02	Koninklijke Philips NV	837	29	0.05
Ono Pharmaceutical Co. Ltd.	800	15	0.02	NN Group NV	955	23	0.04
Oriental Land Co. Ltd.	100	10	0.02	NXP Semiconductors NV	273	23	0.04
ORIX Corp.	1,900	18	0.03	Randstad NV	426	14	0.02
Orix JREIT, Inc., REIT	1	1	-	Royal Dutch Shell plc 'A'	4,349	60	0.10
Otsuka Corp.	400	14	0.02	Royal Dutch Shell plc 'B'	2,722	37	0.06
Otsuka Holdings Co. Ltd.	600	19	0.03	Unilever NV	1,147	46	0.07
Pan Pacific International Holdings Corp.	200	3	0.01	Wolters Kluwer NV	642	38	0.06
Panasonic Corp.	1,200	7	0.01			<b>545</b>	<b>0.87</b>
Rakuten, Inc.	300	2	-				
Recruit Holdings Co. Ltd.	1,300	31	0.05	<b>New Zealand 0.02% (0.02%)</b>			
Renesas Electronics Corp.	500	2	-	Auckland International Airport Ltd.	1,177	3	-
Resona Holdings, Inc.	3,900	10	0.02	Fletcher Building Ltd.	888	2	-
Rohm Co. Ltd.	200	10	0.02	Ryman Healthcare Ltd.	435	3	0.01
Ryohin Keikaku Co. Ltd.	500	5	0.01	Spark New Zealand Ltd.	2,253	5	0.01
Santen Pharmaceutical Co. Ltd.	300	4	0.01			<b>13</b>	<b>0.02</b>
SBI Holdings, Inc.	500	8	0.01				
Secom Co. Ltd.	100	7	0.01	<b>Norway 0.06% (0.05%)</b>			
Sega Sammy Holdings, Inc.	600	6	0.01	Telenor ASA	3,042	36	0.06
Seibu Holdings, Inc.	1,000	10	0.02			<b>36</b>	<b>0.06</b>
Sekisui House Ltd.	300	4	0.01				
Seven & i Holdings Co. Ltd.	800	21	0.03	<b>Papua New Guinea 0.00% (0.01%)</b>			
Shimadzu Corp.	300	6	0.01	Oil Search Ltd.	1,215	2	-
Shimano, Inc.	100	12	0.02			<b>2</b>	<b>-</b>
Shin-Etsu Chemical Co. Ltd.	400	36	0.06				
Shionogi & Co. Ltd.	100	4	0.01	<b>Singapore 0.14% (0.17%)</b>			
Shiseido Co. Ltd.	500	24	0.04	Ascendas Real Estate Investment Trust	2,000	3	0.01
SMC Corp.	100	37	0.06	CapitaLand Ltd.	3,200	5	0.01
Softbank Corp.	900	10	0.02	CapitaLand Mall Trust, REIT	1,500	2	-
SoftBank Group Corp.	1,400	49	0.08	ComfortDelGro Corp. Ltd.	1,500	1	-
Sompo Holdings, Inc.	200	5	0.01	DBS Group Holdings Ltd.	1,900	22	0.04
Sony Corp.	1,400	73	0.12	Genting Singapore Ltd.	2,800	1	-
Square Enix Holdings Co. Ltd.	200	7	0.01	Jardine Cycle & Carriage Ltd.	100	1	-
Stanley Electric Co. Ltd.	100	2	-	Keppel Corp. Ltd.	1,600	5	0.01
Subaru Corp.	200	3	0.01	Oversea-Chinese Banking Corp. Ltd.	4,000	21	0.03
Sumitomo Electric Industries Ltd.	1,000	8	0.01	Singapore Airlines Ltd.	500	2	-
Sumitomo Metal Mining Co. Ltd.	200	4	0.01	Singapore Telecommunications Ltd.	9,300	15	0.02
Sumitomo Mitsui Financial Group, Inc.	1,600	34	0.05	United Overseas Bank Ltd.	300	3	0.01
Sumitomo Mitsui Trust Holdings, Inc.	400	9	0.01	Wilmar International Ltd.	2,300	5	0.01
Sumitomo Realty & Development Co. Ltd.	400	9	0.01			<b>86</b>	<b>0.14</b>

# Portfolio statement – continued

As at 30 April 2020

Investment	Holding	Market value £'000	Total net assets %	Investment	Holding	Market value £'000	Total net assets %
<b>Spain 0.22% (0.36%)</b>				<b>Altria Group, Inc.</b>			
Banco Santander SA	13,458	24	0.04	Amazon.com, Inc.	2,720	88	0.14
Endesa SA	761	14	0.02	Ameren Corp.	388	735	1.18
Iberdrola SA	8,528	69	0.11	American Electric Power Co., Inc.	773	46	0.07
Industria de Diseno Textil SA	1,520	32	0.05	American Express Co.	688	46	0.07
		<b>139</b>	<b>0.22</b>	American International Group, Inc.	1,251	96	0.15
<b>Sweden 0.22% (0.16%)</b>				American Tower Corp., REIT	438	9	0.01
Boliden AB	1,052	17	0.03	Americanprize Financial, Inc.	159	30	0.05
Lundin Energy AB	662	14	0.02	Amgen, Inc.	106	10	0.02
Sandvik AB	2,208	27	0.04	Analog Devices, Inc.	175	33	0.05
SKF AB 'B'	1,206	16	0.03	Anthem, Inc.	1,204	109	0.18
Svenska Handelsbanken AB 'A'	4,483	33	0.05	Aon plc	409	92	0.15
Volvo AB 'B'	2,649	27	0.05	Apple, Inc.	49	7	0.01
		<b>134</b>	<b>0.22</b>	Applied Materials, Inc.	3,938	905	1.45
<b>Switzerland 1.26% (1.04%)</b>				Aramark	119	5	0.01
ABB Ltd.	1,252	19	0.03	Arch Capital Group Ltd.	216	5	0.01
Cie Financiere Richemont SA	196	9	0.01	Arrow Electronics, Inc.	1,627	33	0.05
Credit Suisse Group AG	2,998	22	0.04	Arthur J Gallagher & Co.	76	4	0.01
Givaudan SA	3	8	0.01	AT&T, Inc.	148	9	0.01
LafargeHolcim Ltd.	1,044	35	0.06	Autodesk, Inc.	3,007	75	0.12
Lonza Group AG	165	58	0.09	Automatic Data Processing, Inc.	60	9	0.01
Nestle SA	2,801	239	0.38	AutoZone, Inc.	857	100	0.16
Novartis AG	2,327	160	0.26	AvalonBay Communities, Inc., REIT	64	54	0.09
Roche Holding AG	725	203	0.33	Avery Dennison Corp.	120	16	0.03
UBS Group AG	1,953	17	0.03	Bank of America Corp.	488	45	0.07
Zurich Insurance Group AG	53	14	0.02	Bausch Health Cos., Inc.	8,400	166	0.27
		<b>784</b>	<b>1.26</b>	Baxter International, Inc.	297	4	0.01
<b>United Kingdom 6.50% (6.76%)</b>				Becton Dickinson and Co.	1,227	90	0.14
3i Group plc	3,998	33	0.05	Berkshire Hathaway, Inc. 'B'	96	20	0.03
AstraZeneca plc	979	83	0.13	Best Buy Co., Inc.	1,305	197	0.32
Barclays plc	22,844	25	0.04	Biogen, Inc.	1,278	82	0.13
Beazley plc	5,848	24	0.04	BlackRock, Inc.	193	47	0.08
BP plc	23,136	74	0.12	Boeing Co. (The)	262	107	0.17
British American Tobacco plc	2,018	63	0.10	Booking Holdings, Inc.	55	6	0.01
Burberry Group plc	1,986	28	0.04	BorgWarner, Inc.	36	44	0.07
CK Hutchison Holdings Ltd.	3,000	18	0.03	Boston Scientific Corp.	266	6	0.01
Compass Group plc	1,353	19	0.03	Bristol-Myers Squibb Co.	1,997	60	0.10
Diageo plc	2,515	70	0.11	Broadcom, Inc.	3,437	169	0.27
GlaxoSmithKline plc	3,173	54	0.09	Cabot Oil & Gas Corp.	157	35	0.06
HgCapital Trust plc	701,454	1,575	2.53	Cadence Design Systems, Inc.	311	5	0.01
HSBC Holdings plc	13,231	56	0.09	Camden Property Trust, REIT	242	16	0.03
ICG Enterprise Trust plc	177,296	1,309	2.10	Capital One Financial Corp.	65	5	0.01
InterContinental Hotels Group plc	574	22	0.04	Cardinal Health, Inc.	845	47	0.08
Intertek Group plc	442	21	0.03	Carrier's, Inc.	239	10	0.02
Liberty Global plc 'C'	280	4	0.01	Caterpillar, Inc.	1,555	22	0.04
Linde plc	361	54	0.09	CBRE Group, Inc. 'A'	130	9	0.01
Lloyds Banking Group plc	56,173	18	0.03	CDW Corp.	366	35	0.06
London Stock Exchange Group plc	433	33	0.05	Celanese Corp.	290	10	0.02
M&G plc	9,856	13	0.02	Cerner Corp.	125	11	0.02
Persimmon plc	843	19	0.03	Charles Schwab Corp. (The)	717	49	0.08
Prudential plc	3,832	45	0.07	Charter Communications, Inc. 'A'	267	15	0.02
Reckitt Benckiser Group plc	611	41	0.07	Cheniere Energy, Inc.	1,331	41	0.07
RELX plc	3,016	56	0.09	Chevron Corp.	331	131	0.21
Rio Tinto plc	1,569	60	0.10	Chubb Ltd.	439	16	0.03
SSE plc	2,411	30	0.05	Cigna Corp.	1,840	139	0.22
St James's Place plc	1,691	15	0.02	Cincinnati Financial Corp.	67	6	0.01
Standard Chartered plc	7,222	31	0.05	Cintas Corp.	360	56	0.09
Taylor Wimpey plc	21,856	33	0.05	Cisco Systems, Inc.	246	14	0.02
Tesco plc	15,329	36	0.06	Citigroup, Inc.	40	7	0.01
Unilever plc	1,666	69	0.11	Citizens Financial Group, Inc.	2,105	73	0.12
Vodafone Group plc	14,673	17	0.03	CME Group, Inc.	3,962	159	0.26
		<b>4,048</b>	<b>6.50</b>	CMS Energy Corp.	1,557	29	0.05
<b>United States of America 27.52% (23.84%)</b>				Coca-Cola Co. (The)	300	43	0.07
Abbott Laboratories	420	31	0.05	Cognizant Technology Solutions Corp. 'A'	820	38	0.06
AbbVie, Inc.	2,244	150	0.24	Comcast Corp. 'A'	3,815	144	0.23
ABIOMED, Inc.	25	4	0.01	Concho Resources, Inc.	282	13	0.02
Accenture plc 'A'	766	115	0.18	ConocoPhillips	5,205	162	0.26
Adobe, Inc.	270	75	0.12	Constellation Brands, Inc. 'A'	437	12	0.02
Advance Auto Parts, Inc.	60	6	0.01	Cooper Cos., Inc. (The)	181	9	0.01
Advanced Micro Devices, Inc.	1,050	45	0.07	Corteva, Inc.	225	8	0.01
Air Products and Chemicals, Inc.	207	38	0.06	Costco Wholesale Corp.	438	59	0.09
Akamai Technologies, Inc.	86	7	0.01	Crown Holdings, Inc.	34	8	0.01
Alexion Pharmaceuticals, Inc.	563	49	0.08	CSX Corp.	395	9	0.01
Align Technology, Inc.	38	7	0.01	Cummins, Inc.	601	147	0.24
Allergan plc	281	43	0.07	CVS Health Corp.	760	40	0.06
Allstate Corp. (The)	1,113	94	0.15	DaVita, Inc.	626	34	0.05
Ally Financial, Inc.	270	4	0.01	Deere & Co.	686	91	0.15
Alphabet, Inc. 'A'	270	289	0.46	Delta Air Lines, Inc.	340	17	0.03
Alphabet, Inc. 'C'	290	310	0.50	DexCom, Inc.	113	7	0.01
Allice USA, Inc. 'A'	422	9	0.01	Diamondback Energy, Inc.	292	34	0.05
				Discovery, Inc. 'A'	1,053	23	0.04
				Discovery, Inc. 'C'	54	15	0.02
					700	25	0.04
					1,361	27	0.04
					1,627	29	0.05

# Portfolio statement – continued

As at 30 April 2020

Investment	Holding	Market value £'000	Total net assets %	Investment	Holding	Market value £'000	Total net assets %
Dollar Tree, Inc.	212	14	0.02	MetLife, Inc.	1,264	38	0.06
Dow, Inc.	1,003	30	0.05	Microchip Technology, Inc.	326	24	0.04
DR Horton, Inc.	290	11	0.02	Micron Technology, Inc.	893	36	0.06
Dropbox, Inc. 'A'	205	3	-	Microsoft Corp.	6,604	934	1.50
Duke Energy Corp.	1,030	71	0.11	Mid-America Apartment Communities, Inc., REIT	193	17	0.03
DuPont de Nemours, Inc.	830	32	0.05	Mohawk Industries, Inc.	44	3	0.01
Eastman Chemical Co.	841	43	0.07	Mondelez International, Inc. 'A'	2,572	105	0.17
Eaton Corp. plc	1,423	98	0.16	Monster Beverage Corp.	836	41	0.07
Edison International	490	24	0.04	Morgan Stanley	2,998	98	0.16
Edwards Lifesciences Corp.	170	30	0.05	Motorola Solutions, Inc.	100	12	0.02
Electronic Arts, Inc.	442	40	0.06	MSCI, Inc.	39	10	0.02
Eli Lilly and Co.	1,274	158	0.25	National Retail Properties, Inc., REIT	115	3	0.01
Emerson Electric Co.	1,114	53	0.09	Netflix, Inc.	470	155	0.25
Entergy Corp.	858	67	0.11	Newmont Corp. (CAD)	333	17	0.03
EOG Resources, Inc.	1,660	63	0.10	Newmont Corp. (USD)	684	34	0.05
Equinix, Inc., REIT	136	74	0.12	NextEra Energy, Inc.	770	145	0.23
Equity Residential, REIT	973	51	0.08	NIKE, Inc. 'B'	1,190	84	0.14
Essex Property Trust, Inc., REIT	171	34	0.05	Norfolk Southern Corp.	815	117	0.19
Estee Lauder Cos., Inc. (The) 'A'	123	17	0.03	Nucor Corp.	273	9	0.01
Expedia Group, Inc.	437	26	0.04	NVIDIA Corp.	501	119	0.19
Exxon Mobil Corp.	1,967	75	0.12	ON Semiconductor Corp.	2,048	28	0.05
F5 Networks, Inc.	46	5	0.01	ONEOK, Inc.	1,327	33	0.05
Facebook, Inc. 'A'	2,016	312	0.50	Oracle Corp.	374	16	0.03
Federal Realty Investment Trust, REIT	307	21	0.03	O'Reilly Automotive, Inc.	59	18	0.03
Ferguson plc	189	11	0.02	Otis Worldwide Corp.	777	32	0.05
Fidelity National Financial, Inc.	98	2	-	Ovintiv, Inc.	323	1	-
Fifth Third Bancorp	1,485	23	0.04	Owens Corning	89	3	0.01
Fiserv, Inc.	482	40	0.06	PACCAR, Inc.	90	5	0.01
FleetCor Technologies, Inc.	140	28	0.05	Packaging Corp. of America	339	27	0.04
Flex Ltd.	222	2	-	Palo Alto Networks, Inc.	65	10	0.02
Fortinet, Inc.	223	19	0.03	Parker-Hannifin Corp.	461	58	0.09
General Electric Co.	440	2	-	PayPal Holdings, Inc.	1,702	168	0.27
General Mills, Inc.	348	17	0.03	PepsiCo, Inc.	521	55	0.09
General Motors Co.	1,481	28	0.05	Pfizer, Inc.	3,208	98	0.16
Gilead Sciences, Inc.	555	37	0.06	Philip Morris International, Inc.	2,081	127	0.20
Goldman Sachs Group, Inc. (The)	353	54	0.09	Phillips 66	388	23	0.04
H&R Block, Inc.	166	2	-	Pinnacle West Capital Corp.	107	7	0.01
Hartford Financial Services Group, Inc. (The)	1,364	45	0.07	Pioneer Natural Resources Co.	930	67	0.11
HCA Healthcare, Inc.	9	1	-	PPG Industries, Inc.	105	8	0.01
HD Supply Holdings, Inc.	879	21	0.03	Principal Financial Group, Inc.	235	7	0.01
Healthpeak Properties, Inc., REIT	174	4	0.01	Procter & Gamble Co. (The)	2,602	243	0.39
Hilton Worldwide Holdings, Inc.	602	38	0.06	Progressive Corp. (The)	366	23	0.04
Hologic, Inc.	241	9	0.01	Prologis, Inc., REIT	1,046	75	0.12
Home Depot, Inc. (The)	917	163	0.26	PulteGroup, Inc.	199	5	0.01
Honeywell International, Inc.	1,219	142	0.23	Qorvo, Inc.	225	18	0.03
HP, Inc.	3,537	46	0.07	QUALCOMM, Inc.	614	39	0.06
Humana, Inc.	79	24	0.04	Ralph Lauren Corp.	183	12	0.02
Huntington Ingalls Industries, Inc.	82	13	0.02	Raytheon Technologies Corp.	1,688	92	0.15
IDEXX Laboratories, Inc.	76	17	0.03	Realty Income Corp., REIT	277	12	0.02
IHS Markit Ltd.	63	3	0.01	Regeneron Pharmaceuticals, Inc.	135	56	0.09
Illumina, Inc.	117	30	0.05	Regions Financial Corp.	3,811	34	0.05
Ingersoll Rand, Inc.	395	10	0.02	Roku, Inc.	79	8	0.01
Insulet Corp.	49	8	0.01	Rollins, Inc.	147	5	0.01
Intel Corp.	2,144	106	0.17	Ross Stores, Inc.	581	45	0.07
International Business Machines Corp.	996	102	0.16	Royal Caribbean Cruises Ltd.	369	14	0.02
Interpublic Group of Cos., Inc. (The)	371	5	0.01	S&P Global, Inc.	348	82	0.13
Intuit, Inc.	563	123	0.20	Sabre Corp.	216	1	-
Intuitive Surgical, Inc.	93	39	0.06	salesforce.com, Inc.	1,266	162	0.26
Invitation Homes, Inc., REIT	1,096	21	0.03	SBA Communications Corp., REIT	94	22	0.04
James Hardie Industries plc, CDI	480	6	0.01	SEI Investments Co.	187	8	0.01
Johnson & Johnson	1,720	206	0.33	Sempra Energy	322	33	0.05
Kansas City Southern	542	59	0.09	ServiceNow, Inc.	147	38	0.06
KeyCorp	4,126	40	0.06	Snap, Inc. 'A'	644	9	0.01
Kimberly-Clark Corp.	288	32	0.05	Snap-on, Inc.	345	37	0.06
Kroger Co. (The)	699	18	0.03	Southern Co. (The)	480	22	0.04
Lam Research Corp.	219	49	0.08	Spirit AeroSystems Holdings, Inc. 'A'	47	1	-
Las Vegas Sands Corp.	281	11	0.02	Square, Inc. 'A'	305	16	0.03
Lear Corp.	40	3	0.01	Stanley Black & Decker, Inc.	795	77	0.12
Leidos Holdings, Inc.	991	82	0.13	State Street Corp.	1,188	61	0.10
Lennar Corp. 'A'	1,242	53	0.09	Steel Dynamics, Inc.	91	2	-
Liberty Broadband Corp. 'C'	94	9	0.01	Sun Communities, Inc., REIT	148	16	0.03
Lowe's Cos., Inc.	1,191	101	0.16	T Rowe Price Group, Inc.	91	8	0.01
Lyft, Inc. 'A'	361	10	0.02	Target Corp.	788	71	0.11
LyondellBasell Industries NV 'A'	242	12	0.02	TD Ameritrade Holding Corp.	491	16	0.03
ManpowerGroup, Inc.	59	4	0.01	Teradyne, Inc.	1,125	60	0.10
Marathon Petroleum Corp.	1,462	39	0.06	Tesla, Inc.	114	73	0.12
MarketAxess Holdings, Inc.	55	20	0.03	Texas Instruments, Inc.	1,641	157	0.25
Marsh & McLennan Cos., Inc.	418	32	0.05	Thermo Fisher Scientific, Inc.	560	150	0.24
Masco Corp.	1,572	52	0.08	TJX Cos., Inc. (The)	1,611	66	0.11
Mastercard, Inc. 'A'	1,123	254	0.41	T-Mobile US, Inc.	913	65	0.10
McDonald's Corp.	320	48	0.08	Trane Technologies plc	791	57	0.09
McKesson Corp.	583	65	0.10	Truist Financial Corp.	855	27	0.04
Medtronic plc	2,057	163	0.26	Uber Technologies, Inc.	374	9	0.01
Merck & Co., Inc.	3,168	204	0.33	UDR, Inc., REIT	268	8	0.01



# Portfolio statement – continued

As at 30 April 2020

Investment	Holding	Market value £'000	Total net assets %
Ulta Beauty, Inc.	45	8	0.01
Union Pacific Corp.	521	68	0.11
United Parcel Service, Inc. 'B'	488	37	0.06
UnitedHealth Group, Inc.	1,049	241	0.39
US Bancorp	645	20	0.03
Ventas, Inc., REIT	600	16	0.03
VEREIT, Inc., REIT	967	4	0.01
Verisk Analytics, Inc.	131	16	0.03
Verizon Communications, Inc.	3,908	181	0.29
Vertex Pharmaceuticals, Inc.	378	76	0.12
VICI Properties, Inc., REIT	1,073	15	0.02
Visa, Inc. 'A'	1,431	208	0.33
Voya Financial, Inc.	1,232	45	0.07
WABCO Holdings, Inc.	44	5	0.01
Walgreens Boots Alliance, Inc.	143	5	0.01
Walmart, Inc.	447	44	0.07
Walt Disney Co. (The)	499	45	0.07
Waste Management, Inc.	79	6	0.01
Wells Fargo & Co.	3,378	81	0.13
Weyerhaeuser Co., REIT	374	7	0.01
Williams Cos., Inc. (The)	552	9	0.01
Workday, Inc. 'A'	229	28	0.05
Xcel Energy, Inc.	1,110	58	0.09
Xilinx, Inc.	72	5	0.01
Yum! Brands, Inc.	1,006	70	0.11
Zimmer Biomet Holdings, Inc.	896	87	0.14
		<b>17,140</b>	<b>27.52</b>
<b>Equities total</b>		<b>30,790</b>	<b>49.43</b>

## Option 0.00% (0.07%)

### Forward Currency Contracts (0.05)% (0.20%)

Buy AUD 16,281 sell GBP 8,357 dated 22/05/2020	-	-
Buy CHF 704,387 sell GBP 582,860 dated 22/05/2020	(3)	-
Buy EUR 54,054 sell GBP 47,132 dated 22/05/2020	-	-
Buy GBP 485,409 sell AUD 953,749 dated 22/05/2020	(13)	(0.02)
Buy GBP 696,299 sell CAD 1,216,263 dated 22/05/2020	(4)	(0.01)
Buy GBP 5,582,556 sell EUR 6,400,398 dated 22/05/2020	19	0.03
Buy GBP 730,444 sell HKD 7,119,357 dated 22/05/2020	(3)	-
Buy GBP 215,858 sell JPY 29,000,000 dated 22/05/2020	(2)	-
Buy GBP 2,679,302 sell USD 3,321,356 dated 22/05/2020	26	0.04
Buy GBP 15,150,722 sell USD 19,040,564 dated 22/05/2020	(63)	(0.10)
Buy JPY 190,514,009 sell GBP 1,413,305 dated 22/05/2020	15	0.02
Buy USD 450,000 sell GBP 363,356 dated 22/05/2020	(4)	(0.01)
<b>Forward Currency Contracts total</b>	<b>(32)</b>	<b>(0.05)</b>

### Futures (3.86)% ((0.25)%)

Australia 10 Year Bond 15/06/2020	23	(27)	(0.04)
EURO STOXX 50 Index 19/06/2020	(64)	(299)	(0.48)
FTSE 100 Index 19/06/2020	(5)	(50)	(0.08)
MSCI Emerging Markets Index 19/06/2020	66	320	0.51
S&P 500 Emini Index 19/06/2020	(109)	(2,337)	(3.75)
TOPIX Index 11/06/2020	(16)	(118)	(0.19)
US 10 Year Note 19/06/2020	32	110	0.17
<b>Futures total</b>	<b>(2,401)</b>	<b>(3.86)</b>	

### Liquidity Funds 0.18% (1.28%)

JPM GBP Liquidity LVNAV Fund X (dist.) <sup>95</sup>	111,159	111	0.18
<b>Liquidity Funds total</b>		<b>111</b>	<b>0.18</b>

Investment assets*	57,442	92.22
Net other assets	4,843	7.78
<b>Net assets</b>	<b>62,285</b>	<b>100.00</b>

The comparative percentage figures in brackets are as at 30 April 2019.

<sup>9</sup> A related party to the Fund.

<sup>5</sup> Cash equivalent.

\* Including derivative liabilities and cash equivalents.

# Financial statements

## Statement of total return

For the year ending 30 April

	2020	2019
£'000	£'000	£'000
Income		
Net capital (losses)/gains (Note 2)	(5,033)	1,694
Revenue (Note 3)	1,818	1,844
Expenses (Note 4)	(483)	(581)
Net revenue before taxation	1,335	1,263
Taxation (Note 5)	(76)	(90)
Net revenue after taxation	1,259	1,173
<b>Total return before distributions</b>	<b>(3,774)</b>	<b>2,867</b>
Distributions (Note 6)	(1,259)	(1,173)
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>(5,033)</b>	<b>1,694</b>

## Statement of change in net assets attributable to shareholders

For the year ending 30 April

	2020	2019
£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>	<b>78,868</b>	<b>83,583</b>
Amounts receivable on issue of shares	37,650	4,288
Amounts payable on cancellation of shares	(50,339)	(11,813)
	(12,689)	(7,525)
Dilution adjustment	4	1
Change in net assets attributable to shareholders from investment activities (see above)	(5,033)	1,694
Retained distributions on accumulation shares	1,135	1,115
<b>Closing net assets attributable to shareholders</b>	<b>62,285</b>	<b>78,868</b>

## Balance sheet

As at 30 April

	2020	2019
£'000	£'000	£'000
<b>Assets:</b>		
Investments	60,254	76,726
<b>Current assets:</b>		
Debtors (Note 8)	234	266
Cash and bank balances (Note 9)	4,805	1,391
Cash equivalents	111	1,013
<b>Total assets</b>	<b>65,404</b>	<b>79,396</b>
<b>Liabilities:</b>		
Investment liabilities	(2,923)	(259)
<b>Creditors:</b>		
Other creditors (Note 10)	(196)	(269)
<b>Total liabilities</b>	<b>(3,119)</b>	<b>(528)</b>
<b>Net assets attributable to shareholders</b>	<b>62,285</b>	<b>78,868</b>

The notes to these financial statements are shown on pages 25 to 29.

# Notes to the financial statements for the year ending 30 April 2020

## 1. Accounting policies

The applicable accounting policies adopted by JPM Diversified Growth Fund are disclosed on page 13.

## 2. Net capital (losses)/gains

	2020 £'000	2019 £'000
Realised gains on currencies	404	1,043
Realised losses on derivative contracts	(65)	(911)
Realised losses on forward currency contracts	(1,368)	(3,810)
Realised gains on non-derivative securities	1,753	883
Unrealised losses on currencies	(43)	(9)
Unrealised losses on derivative contracts	(2,180)	(32)
Unrealised (losses)/gains on forward currency contracts	(187)	1,269
Unrealised (losses)/gains on non-derivative securities	(3,347)	3,261
Net capital (losses)/gains	(5,033)	1,694

## 3. Revenue

	2020 £'000	2019 £'000
Distributions from authorised ICVCs	474	404
Distributions from overseas investments	508	461
Franked income from UK equity investments	144	143
Income from Liquidity Funds	8	5
Income from overseas equity investments	629	772
Interest on bank and term deposits	4	4
Interest on derivatives	1	9
Interest on fixed-interest securities	(1)	-
Management fee rebates	51	44
Stock dividends	-	2
Total revenue	1,818	1,844

## 4. Expenses

	2020 £'000	2019 £'000
<b>Payable to the ACD or associate of the ACD:</b>		
ACD fee	364	460
Operating expenses	113	117
	477	577
Interest payable	6	4
Total expenses	483	581

The fees paid to the auditors for the year ended 30 April 2020 are £5,830 (30.04.19: £5,830), with additional fees of £1,254 (30.04.19: £nil) relating to other audit services. These fees form part of the operating expenses.

## 5. Taxation

	2020 £'000	2019 £'000
<b>a) Analysis of charge in the year</b>		
Overseas tax suffered	76	90
Current year tax charge (Note 5b)	76	90
<b>b) Factors affecting the tax charge for the year</b>		
The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an Open-Ended Investment Company (OEIC) (20%). The differences are explained below.		
Net revenue before taxation	1,335	1,263
Corporation tax at 20%	267	253
Effects of:		
Dividends not subject to corporation tax	(181)	(200)
Excess expenses for which no relief taken	(85)	(52)
Overseas tax expensed	(1)	(1)
Overseas tax suffered	76	90
	(191)	(163)
Total tax charge (Note 5a)	76	90

No deferred tax asset has been recognised in the financial statements. At the year end date, the Fund had a deferred tax asset of £198,825 (30.04.19: £283,692) in relation to £994,125 (30.04.19: £1,418,460) of excess management expenses which have been utilised to reduce the tax charge as the Fund had an excess of unfranked income over expenses during the period.

## 6. Distributions

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

	2020 £'000	2019 £'000
Final dividend distribution	1,135	1,115
Add: Amounts payable on cancellation of shares	192	84
Deduct: Amounts receivable on issue of shares	(68)	(26)
Distributions for the year	1,259	1,173

Details of the distribution per share are set out on page 30.

## 7. Movement between net revenue after taxation and distributions

	2020 £'000	2019 £'000
Net revenue after taxation	1,259	1,173
Add: Undistributed revenue brought forward	1	1
Deduct: Undistributed revenue carried forward	(1)	(1)
	1,259	1,173

## 8. Debtors

	2020 £'000	2019 £'000
Accrued income	93	108
Due from the ACD for shares issued	-	100
Expense rebate recoverable	3	-
Overseas tax recoverable	11	7
Sales awaiting settlement	127	51
Total debtors	234	266

# Notes to the financial statements – continued

## 9. Cash and bank balances

	2020 £'000	2019 £'000
Amounts held at futures clearing houses and brokers	4,454	847
Cash and bank balances	351	544
<b>Total Cash and bank balances</b>	<b>4,805</b>	<b>1,391</b>

## 10. Other creditors

	2020 £'000	2019 £'000
Accrued expenses	31	47
Due to the ACD for shares cancelled	52	171
Purchases awaiting settlement	113	51
<b>Total other creditors</b>	<b>196</b>	<b>269</b>

## 11. Contingent liabilities

There were no contingent liabilities at the balance sheet date (30.04.19: £nil).

## 12. Related party transactions

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

The balance due to the ACD and their associates at the year end date in respect of related party transactions was £75,195 (30.04.19: £108,376). Details of related party transactions are given under the note on page 14.

Investments considered to be related parties have been identified in the portfolio statement on pages 18 to 23 and the revenue from these investments was £989,007 (30.04.19: £1,065,728).

Management fee rebates received or receivable from underlying funds considered to be related parties are disclosed under Net capital (losses)/gains and Revenue in the Notes to the financial statements. Amounts due at the balance sheet date are £3,323 (30.04.19: £4,706) disclosed under Debtors in the Notes to the financial statements.

Some of the dealing transactions for the Fund are carried out through associates of the ACD. Such transactions are carried out on an arm's length basis. The commissions paid to these companies over the year were £677 (30.04.19: £1,430). Commission was paid to the associated company JPMorgan Securities Ltd.

The following party held a material interest in the Fund at the year end date:  
- Hargreaves Lansdown Nominees Ltd 13.17% (30.04.19: 2.94%)

## 13. Stock lending

The Fund has not entered into stock lending arrangements in the current or prior year.

## 14. Financial instruments

### Currency exposures

A substantial proportion of the net assets of the Fund are denominated in currencies other than Sterling, with the effect that the Balance sheet and total return can be significantly affected by currency movements.

### Net foreign currency assets/(liabilities)

Currency	Total £'000	Monetary exposures £'000	Non-monetary exposures £'000
<b>30.04.20</b>			
Japanese Yen	3,645	1,436	2,209
Swiss Franc	1,378	594	784
Danish Krone	215	2	213
Swedish Krona	156	22	134
Canadian Dollar	138	(695)	833
Euro	136	(5,149)	5,285
Singapore Dollar	87	-	87
Norwegian Krone	37	1	36
New Zealand Dollar	19	6	13
Australian Dollar	(11)	(444)	433
US Dollar	(157)	(15,489)	15,332
Hong Kong Dollar	(427)	(732)	305
<b>30.04.19</b>			
Swedish Krona	173	-	173
Danish Krone	165	1	164
Singapore Dollar	137	1	136
Canadian Dollar	130	(974)	1,104
Japanese Yen	103	(2,268)	2,371
Norwegian Krone	44	1	43
Australian Dollar	33	(753)	786
New Zealand Dollar	19	-	19
Swiss Franc	(126)	(886)	760
US Dollar	(155)	(18,957)	18,802
Euro	(210)	(8,356)	8,146
Hong Kong Dollar	(855)	(1,294)	439

At the year end date, if the value of Sterling increased or decreased by 10% against all other currencies, with all other variables remaining constant, then the net assets attributable to the shareholders will increase or decrease by approximately £521,600 (30.04.19: £54,200).

### Interest rate risk

At the year end date, 7.89% (30.04.19: 3.05%) of the Fund's net assets by value were interest bearing and as such, the interest rate risk is not considered significant.

### Market price risk

At the year end date, if the prices of investments held by the Fund increased or decreased by 10%, with all other variables remaining constant, then net assets attributable to the shareholders would increase or decrease by approximately £5,733,000 (30.04.19: £7,647,000).

For consideration of other risks including liquidity, pricing and credit risk, please refer to the accounting policies on pages 13 and 14.

# Notes to the financial statements – continued

## 15. Share classes

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

	ACD Fee	Operating expenses (max.)
Class A Shares:	0.70%	0.15%
Class B Shares:	0.45%	0.15%
Class C Shares:	0.35%	0.15%

The net asset value of each share class, the net asset value per share and the number of shares in each class are shown on pages 16 and 17. All classes have the same rights on winding up.

## 16. Counterparty exposure

### Financial derivative exposure

Counterparty	Forwards currency contracts £'000	Futures contracts £'000	Options contracts £'000	Total £'000
<b>30.04.20</b>				
BNP Paribas	1	-	-	1
Goldman Sachs	(74)	430	-	356
HSBC	21	-	-	21
State Street Bank	20	-	-	20
	(32)	430	-	398
<b>30.04.19</b>				
BNP Paribas	139	-	-	139
Citibank	7	-	-	7
Goldman Sachs	-	52	52	104
HSBC	9	-	-	9
	155	52	52	259

At the balance sheet date no collateral was held or pledged by the company or on behalf of the counterparties in respect of the above.

The counterparty exposure on forward currency contracts is reported at their mark to market values but for futures contracts it is only the positive mark to market values that are reported.

# Notes to the financial statements – continued

## 17. Fair value hierarchy

The purpose of the fair value hierarchy is to prioritise the inputs that should be used to measure the fair value of assets and liabilities. The highest priority is given to quoted prices at which a transaction can be entered into and the lowest priority to unobservable inputs. Disclosure is required of the value in each category in order to give an insight into the extent to which fair value measurements are subjective.

The disclosure is split into the following categories:

**Level 1:** Unadjusted quoted price in an active market for an identical instrument;

**Level 2:** Valuation techniques using observable inputs other than quoted prices within level 1;

**Level 3:** Valuation techniques using unobservable inputs.

	2020 Assets £'000	2020 Liabilities £'000	2019 Assets £'000	2019 Liabilities £'000
Level 1: Quoted prices	31,212	(2,831)	35,843	(250)
Level 2: Observable market data	29,145	(92)	41,896	(9)
Level 3: Unobservable data	8	-	-	-
Total	60,365	(2,923)	77,739	(259)

## 18. Direct transaction costs

In the case of shares, broker commissions and transfer taxes, stamp duty are paid by the Fund on each transaction. In addition, there is a dealing spread between buying and selling prices of the underlying investments. Unlike shares, other types of investments (such as bonds, money market instruments, derivatives) have no separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and market sentiment.

Comparing portfolio transaction costs for a range of funds may give a false impression of the relative costs of investing in them for the following reasons:

- Transaction costs do not necessarily reduce returns. The net impact of dealing is the combination of the effectiveness of the manager's investment decisions in improving returns and the associated costs of the investment.
- Historic transaction costs are not an effective indicator of the future impact on performance.
- Transaction costs for buying and selling investments due to other investors joining or leaving the fund may be recovered from those investors.
- Transaction costs vary from country to country.
- Transaction costs vary depending on the types of investment in which a fund invests.
- As the manager's investment decisions are not predictable, transaction costs are also not predictable.

	Principal before costs £'000	Commission £'000	Taxes £'000	Total after costs £'000	Commission as % of Principal	Taxes as % of Principal
<b>30.04.20</b>						
<b>Purchases</b>						
Purchases of Equity stocks	(9,121)	(2)	(3)	(9,126)	0.02	0.03
Purchases of Funds	(30,263)	-	-	(30,263)	0.00	0.00
	(39,384)	(2)	(3)	(39,389)		
<b>Sales</b>						
Sales of Equity stocks	14,120	(4)	-	14,116	0.03	0.00
Sales of Funds	41,228	-	-	41,228	0.00	0.00
	55,348	(4)	-	55,344		
Derivative purchases and sales	-	-	-	-		
Total		(6)	(3)			
Percentage of Fund average net assets		0.01%	0.00%			

# Notes to the financial statements – continued

## 18. Direct transaction costs – continued

	Principal before costs £'000	Commission £'000	Taxes £'000	Total after costs £'000	Commission as % of Principal	Taxes as % of Principal
<b>30.04.19</b>						
<b>Purchases*</b>						
Purchases of Equity stocks	(12,026)	(5)	(11)	(12,042)	0.04	0.09
Purchases of Bond stocks	(5,787)	-	-	(5,787)	0.00	0.00
Purchases of Funds	(10,695)	-	-	(10,695)	0.00	0.00
<b>Corporate action purchases</b>						
Purchases of Equity stocks	(5)	-	-	(5)	0.00	0.00
	<u>(28,513)</u>	<u>(5)</u>	<u>(11)</u>	<u>(28,529)</u>		
<b>Sales*</b>						
Sales of Equity stocks	21,371	(9)	-	21,362	0.04	0.00
Sales of Bond stocks	9,118	-	-	9,118	0.00	0.00
Sales of Funds	9,543	-	-	9,543	0.00	0.00
	<u>40,032</u>	<u>(9)</u>	<u>-</u>	<u>40,023</u>		
Total		<u>(14)</u>	<u>(11)</u>			
Percentage of Fund average net assets		<u>0.02%</u>	<u>0.01%</u>			

\* Excluding in specie and corporate action activity.

### Dealing spread

As at the balance sheet date, the average portfolio dealing spread was 0.14% (30.04.19: 0.07%). This spread represents the difference between the values determined retrospectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

## 19. Shares in issue

	Opening position	Creations	Cancellations	Conversions	Closing position
A-Class Accumulation Shares	18,557,485	63,269	(13,695,020)	(175,594)	4,750,140
B-Class Accumulation Shares	59,335	12,097,170	(300,154)	51,142	11,907,493
C-Class Accumulation Shares	10,111,806	1,184,157	(4,060,205)	119,020	7,354,778

# Distribution table

## Final distribution in pence per share

Group 1 - Shares purchased prior to 1 May 2019

Group 2 - Shares purchased 1 May 2019 to 30 April 2020

	Net revenue	Equalisation	Distribution payable 31.07.20	Distribution paid 31.07.19
<b>A-Class Accumulation Shares</b>				
Group 1	4.190000	-	4.190000	3.680000
Group 2	1.841577	2.348423	4.190000	3.680000
<b>B-Class Accumulation Shares</b>				
Group 1	4.990000	-	4.990000	4.250000
Group 2	2.166537	2.823463	4.990000	4.250000
<b>C-Class Accumulation Shares</b>				
Group 1	4.650000	-	4.650000	4.250000
Group 2	2.366813	2.283187	4.650000	4.250000

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



# JPM Multi-Asset Cautious Fund

## Important information

JPM Multi-Asset Cautious Fund was launched 20 September 2019.

## Investment objective and policy

To provide capital growth in the long term by investing in a combination of asset classes including equities, fixed income and cash with the potential for low to moderate levels of price fluctuations.

The Fund may invest either directly or via collective investment schemes, which may be managed by the Investment Adviser or any other member of JPMorgan Chase & Co., in a broad range of assets globally, including emerging markets. Such assets may include equities (including smaller companies), fixed income (including investment grade and non-investment grade, high yield and emerging market debt) and cash and cash equivalents.

The Fund may invest up to 40% of its assets in equities, from 15% to 65% in government bonds, from 15% to 45% in corporate bonds and may hold up to 40% in cash and cash equivalents.

The Fund may use Financial Derivative Instruments (derivatives) for investment purposes or Efficient Portfolio Management including hedging, where appropriate (see Section 11.6 of the Prospectus for Risk Warnings on derivatives).

The Fund may invest in assets denominated in any currency and non-Sterling currency exposure (excluding Emerging Markets local currency) will 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 may use Financial Derivative Instruments (derivatives) and/or forward transactions for investment purposes. The value of derivatives can be volatile. This is because a small movement in the value of the underlying asset can cause a large movement in the value of the derivative and therefore, investment in derivatives may result in losses in excess of the amount invested by the Fund.

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

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

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

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

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

## Market review

Since the inception of the Fund (September 2019) through to 30 April 2020, global financial markets experienced dramatically varied economic environments. While the fourth quarter of 2019 pointed to a positive turn in global-growth momentum and improved geopolitical conditions across Europe, the US and China, the first fourth months of 2020 were dramatically impacted by the COVID-19 pandemic that brought the global economy to a halt.

Global equity markets rallied strongly in the fourth quarter of 2019, with the MSCI World Index rising by 7.5% in local-currency terms. The quarter was characterised by a reduction in uncertainty surrounding global trade and British politics, largely encouraging US economic and corporate data, and rising crude oil prices. Stocks rallied on a breakthrough in US-China trade talks as the US decided against proceeding with a planned tariff hike on consumer goods imported from China and the two countries entered into the first phase of a trade deal. Major central banks also continued to take accommodative policy positions.

However, global equity markets fell dramatically in the first quarter of 2020, with the MSCI World Index falling by 20.0% in local-currency terms. The outbreak of the novel coronavirus, COVID-19, escalated from a regional epidemic at the start of the year to a pernicious global pandemic by the end of the first quarter. In response, governments took extraordinary measures to contain the pandemic. Towards the end of March, markets recovered some of the losses as major central banks rushed to approve record stimulus packages and central banks launched programmes to support liquidity and demand for fixed-income assets. Markets continued to rebound strongly in April. COVID-19 continued to spread, but some countries saw daily new-infection rates start to fall and plans for the gradual reopening of economies were laid out.

## Fund performance

Over the period since inception, global equities fell dramatically, while core fixed-income markets provided modest positive returns. With that backdrop in mind, the Fund generated a negative total return and underperformed its benchmark.

Security selection contributed to performance, while active asset allocation detracted during the period. In terms of security selection, the largest contributors were the US and UK equity managers. In terms of asset allocation, the largest detractor was relative-value equity positioning.

## Fund positioning

Since inception, the Fund tended to be underweight stocks versus bonds. While positive market developments were unfolding at the end of 2019, the beginning of the fourth quarter was still marked by uncertainty regarding US-China trade negotiations and an uninspiring global economic growth picture. The Fund moved to overweight stocks versus bonds in December as the growth picture began improving. However, the Fund cut equity risk dramatically, starting in March, following the novel coronavirus outbreak. Within equities, we maintained relative value preferences for US and emerging-market equities, while our least-preferred markets were Japan and Europe.

In terms of fixed income, we are broadly neutral duration. Although bond yields are at historically low levels, monetary policy remains accommodative and duration still provides diversification in a multi-asset context.

## Outlook

The COVID-19 crisis, and associated market moves, unfolded with extraordinary and unparalleled speed. In time, we believe, the economy will bounce back; however, the repricing of risk assets to discount left-tail risk is striking. We think markets have entered a new phase in which they are increasingly taking cues from slower-moving news flow covering how lockdowns are likely to be lifted and are looking to economic data for May and June.

With that backdrop in mind, we are cautiously positioned in the portfolio and remain underweight stocks versus bonds. We also hold a significant allocation to cash as we monitor financial markets for opportunities, as and when they present themselves.

## Fund statistics

Risk and Reward Profile	<b>3<sup>†</sup> (3 at 31 October 2019)</b>	
Fund size	£189.5m	
Benchmark Index	<b>15% MSCI All Country World Net Total Return Index (GBP hedged), 15% FTSE All Share Net Index, 30% Bloomberg Barclays Global Aggregate Bond Index (GBP hedged), 30% Bloomberg Barclays Sterling Aggregate Bond Index, 10% Cash (1 week GBP LIBID)</b>	
Fund charges and expenses	C-Class	X2-Class
Initial charge (max.)	Nil	Nil
Exit charge	Nil	Nil
Fund expenses (comprises)		
Annual management fee	0.35%	-
Operating expenses (max.)	0.15%	0.04%
Synthetic fee adjustment from underlying fund holdings	0.04%	0.04%

## Comparative tables

C-Class Accumulation Shares <sup>‡</sup>	2020 <sup>‡‡</sup> pps
<b>Change in net asset value per share</b>	
Opening net asset value per share	100.00
Return before operating charges*	(3.49)
Operating charges	(0.22)
Return after operating charges*	(3.71)
Distributions	0.00
Retained distributions on accumulation shares	0.00
Closing net asset value per share	96.29
* after direct transaction costs of	0.00

### Performance

% Return after operating charges <sup>^</sup>	(3.71)%
% Benchmark index	(1.32)%

### Other information

Closing net asset value (£'000)	1
Closing number of shares	1,000
% Operating charges	0.54%
% Direct transaction costs	0.00%

### Prices

Highest share price	103.6
Lowest share price	89.22

<sup>†</sup> 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>

<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.

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## Comparative tables - continued

	2020 <sup>##</sup> pps
<b>X2-Class Accumulation Shares<sup>###</sup></b>	
<b>Change in net asset value per share</b>	
Opening net asset value per share	100.00
Return before operating charges*	(3.57)
Operating charges	(0.06)
Return after operating charges*	(3.63)
Distributions	(0.11)
Retained distributions on accumulation shares	0.11
Closing net asset value per share	96.37
* after direct transaction costs of	0.00

### Performance

% Return after operating charges <sup>^</sup>	(3.63)%
% Benchmark index	(1.33)%

### Other information

Closing net asset value (£'000)	189,492
Closing number of shares	196,630,044
% Operating charges	0.08%
% Direct transaction costs	0.00%

### Prices

Highest share price	103.6
Lowest share price	89.26

The Operating charges are calculated on an accruals basis and as such may differ from the Ongoing charge figure where:

(a) Changes to fee rates were made during the year and the Ongoing charge figure has been amended to be future proofed for this change.

(b) The Ongoing charge has been annualised for a share class that has not yet been open for a full year. Please refer to the Direct transaction costs note on page 39, for more detail regarding the nature of transaction costs and how they arise for different types of investments.

‡ C-Class Accumulation shares were launched on 24 October 2019. The Opening net asset value per share given is equal to the launch price of the shares.

## To 30 April 2020.

### X2-Class Accumulation shares were launched on 20 September 2019. The Opening net asset value per share given is equal to the launch price of the shares.

<sup>^</sup> Performance returns are calculated using the net asset value per share from the financial statements as opposed to the dealing price for the last business day of the year.

## Asset breakdown

	%
Collective Investment Schemes	81.65
Liquidity Funds	8.65
Forward Currency Contracts	0.16
Futures	(1.84)
Net other assets	11.38

Please remember that past performance is not a guide to future performance and it might not be repeated. The value of investments and the revenue from them may go down as well as up and investors may not get back the amount originally invested. Because of this, you are not certain to make a profit on your investments and you may lose money.

# Portfolio statement

As at 30 April 2020

Investment	Holding	Market value £'000	Total net assets %
<b>Collective Investment Schemes 81.65%</b>			
JPM Asia Pacific Equity Fund X2 - Net Accumulation <sup>¶</sup>	958,379	942	0.50
JPM Emerging Markets Fund X2 - Net Accumulation <sup>¶</sup>	1,346,010	3,208	1.69
JPM Europe (ex-UK) Research Enhanced Index Equity Fund X2 - Net Accumulation <sup>¶</sup>	1,734,400	1,536	0.81
JPM Global (ex-UK) Bond Fund X2 - Gross Accumulation <sup>¶</sup>	22,709,130	23,458	12.38
JPM Global Corporate Bond Fund X2 - Gross Accumulation <sup>¶</sup>	28,724,020	29,291	15.46
JPM Global Research Enhanced Index Equity Fund X2 - Net Accumulation <sup>¶</sup>	12,144,055	11,541	6.09
JPM Sterling Corporate Bond Fund X2 - Gross Accumulation <sup>¶</sup>	24,242,835	25,722	13.57
JPM UK Equity Core Fund X2 - Net Accumulation <sup>¶</sup>	27,466,180	23,434	12.37
JPM UK Government Bond Fund X2 - Gross Accumulation <sup>¶</sup>	22,464,235	24,214	12.78
JPM US Research Enhanced Index Equity Fund X2 - Net Accumulation <sup>¶</sup>	11,410,780	11,368	6.00
<b>Collective Investment Schemes total</b>		<b>154,714</b>	<b>81.65</b>
<b>Forward Currency Contracts 0.16%</b>			
Buy GBP 711,969 sell AUD 1,379,631 dated 01/06/2020		(10)	(0.01)
Buy GBP 368,231 sell CAD 638,815 dated 01/06/2020		-	-
Buy GBP 224,182 sell CHF 270,022 dated 02/06/2020		2	-
Buy GBP 2,598,560 sell EUR 2,971,543 dated 01/06/2020		15	0.01
Buy GBP 814,344 sell HKD 7,417,880 dated 04/05/2020		50	0.03
Buy GBP 773,848 sell HKD 7,417,880 dated 01/06/2020		10	0.01
Buy GBP 619,051 sell JPY 82,289,624 dated 01/06/2020		2	-
Buy GBP 20,849,437 sell USD 25,774,953 dated 01/06/2020		256	0.14
Buy HKD 7,417,880 sell GBP 774,312 dated 04/05/2020		(10)	(0.01)
Buy USD 1,041,203 sell GBP 843,089 dated 01/06/2020		(11)	(0.01)
<b>Forward Currency Contracts total</b>		<b>304</b>	<b>0.16</b>
<b>Futures (1.84)%</b>			
Australia 10 Year Bond 15/06/2020	72	(145)	(0.08)
Euro-Bund 08/06/2020	(29)	38	0.02
Euro-Schatz 08/06/2020	45	(8)	-
EURO STOXX 50 Index 19/06/2020	(105)	(490)	(0.26)
FTSE 100 Index 19/06/2020	(227)	(1,844)	(0.97)
Long Gilt 26/06/2020	(12)	(8)	-
MSCI Emerging Markets Index 19/06/2020	(59)	(177)	(0.09)
S&P 500 Emini Index 19/06/2020	(73)	(1,089)	(0.58)
S&P/TSX 60 Index 18/06/2020	4	83	0.04
TOPIX Index 11/06/2020	(6)	(44)	(0.02)
US 10 Year Note 19/06/2020	144	196	0.10
<b>Futures total</b>		<b>(3,488)</b>	<b>(1.84)</b>
<b>Liquidity Funds 8.65%</b>			
JPM GBP Liquidity LVNAV Fund X (dist.) <sup>¶§</sup>	16,390,620	16,391	8.65
<b>Liquidity Funds total</b>		<b>16,391</b>	<b>8.65</b>
Investment assets*		167,921	88.62
Net other assets		21,572	11.38
<b>Net assets</b>		<b>189,493</b>	<b>100.00</b>

<sup>¶</sup> A related party to the Fund.

<sup>§</sup> Cash equivalent.

\* Including derivative liabilities and cash equivalents.

# Financial statements

## Statement of total return

For the period from 20 September 2019 to 30 April 2020

	2020 £'000
Income	
Net capital losses (Note 2)	(8,172)
Revenue (Note 3)	234
Expenses (Note 4)	(19)
Net revenue before taxation	215
Taxation (Note 5)	(30)
Net revenue after taxation	185
<b>Total return before distributions</b>	<b>(7,987)</b>
Distributions (Note 6)	(167)
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>(8,154)</b>

## Statement of change in net assets attributable to shareholders

For the period from 20 September 2019 to 30 April 2020

	2020 £'000
<b>Opening net assets attributable to shareholders</b>	<b>-</b>
Amounts receivable on issue of shares	200,646
Amounts payable on cancellation of shares	(3,215)
	197,431
Dilution adjustment	-
Change in net assets attributable to shareholders from investment activities (see above)	(8,154)
Retained distributions on accumulation shares	216
<b>Closing net assets attributable to shareholders</b>	<b>189,493</b>

## Balance sheet

As at 30 April

	2020 £'000
<b>Assets:</b>	
Investments	155,366
<b>Current assets:</b>	
Debtors (Note 8)	4,475
Cash and bank balances (Note 9)	19,157
Cash equivalents	16,391
<b>Total assets</b>	<b>195,389</b>
<b>Liabilities:</b>	
Investment liabilities	(3,836)
<b>Creditors:</b>	
Other creditors (Note 10)	(2,060)
<b>Total liabilities</b>	<b>(5,896)</b>
<b>Net assets attributable to shareholders</b>	<b>189,493</b>

The notes to these financial statements are shown on pages 36 to 39.

# Notes to the financial statements for the period from 20 September 2019 to 30 April 2020

## 1. Accounting policies

The applicable accounting policies adopted by JPM Multi-Asset Cautious Fund are disclosed on page 13.

## 2. Net capital losses

	2020 £'000
Realised gains on currencies	120
Realised losses on derivative contracts	(377)
Realised losses on forward currency contracts	(1,058)
Unrealised losses on currencies	(92)
Unrealised losses on derivative contracts	(3,493)
Unrealised gains on forward currency contracts	304
Unrealised losses on non-derivative securities	(3,576)
Net capital losses	<u>(8,172)</u>

## 3. Revenue

	2020 £'000
Distributions from authorised ICVCs	205
Income from Liquidity Funds	23
Interest on derivatives	(8)
Management fee rebates	14
Total revenue	<u>234</u>

## 4. Expenses

	2020 £'000
<b>Payable to the ACD or associate of the ACD:</b>	
ACD fee	-
Operating expenses	17
	<u>17</u>
Interest payable	2
	<u>2</u>
Total expenses	<u>19</u>

The fees paid to the auditors for the period ended 30 April 2020 are £5,830, with additional fees of £1,254 relating to other audit services. These fees form part of the operating expenses.

## 5. Taxation

	2020 £'000
<b>a) Analysis of charge in the period</b>	
Corporation tax at 20%	30
Current period tax charge (Note 5b)	<u>30</u>

### b) Factors affecting the tax charge for the period

The tax assessed for the period is lower than the standard rate of corporation tax in the UK for an Open-Ended Investment Company (OEIC) (20%). The differences are explained below.

Net revenue before taxation	215
Corporation tax at 20%	<u>43</u>
Effects of:	
Dividends not subject to corporation tax	(13)
	<u>(13)</u>
Total tax charge (Note 5a)	<u>30</u>

No deferred tax asset has been recognised in the financial statements.

## 6. Distributions

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

	2020 £'000
Final dividend distribution	216
Add: Amounts payable on cancellation of shares	1
Deduct: Amounts receivable on issue of shares	(50)
Distributions for the period	<u>167</u>

Details of the distribution per share are set out on page 40.

## 7. Movement between net revenue after taxation and distributions

	2020 £'000
Net revenue after taxation	185
Deduct: Undistributed revenue carried forward	(18)
	<u>167</u>

## 8. Debtors

	2020 £'000
Due from the ACD for shares issued	4,470
Expense rebate recoverable	5
Total debtors	<u>4,475</u>

# Notes to the financial statements – continued

## 9. Cash and bank balances

	2020 £'000
Amounts held at futures clearing houses and brokers	7,473
Cash and bank balances	11,684
Total cash and cash equivalents	<u>19,157</u>

## 10. Other creditors

	2020 £'000
Accrued expenses	6
Corporation tax payable	30
Due to the ACD for shares cancelled	264
Purchases awaiting settlement	1,760
Total other creditors	<u>2,060</u>

## 11. Contingent liabilities

There were no contingent liabilities at the balance sheet date.

## 12. Related party transactions

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

The balance due from the ACD and their associates at the period end date in respect of related party transactions was £4,200,187. Details of related party transactions are given under the note on page 14.

Investments considered to be related parties have been identified in the portfolio statement on page 34 and the revenue from these investments was £228,170.

Management fee rebates received or receivable from underlying funds considered to be related parties are disclosed under Net capital gains and Revenue in the Notes to the financial statements. Amounts due at the balance sheet date are £4,608 disclosed under Debtors in the Notes to the financial statements.

The following party held a material interest in the Fund at the period end date:  
– State Street Nominees Ltd 100.00%

## 13. Stock lending

The Fund has not entered into stock lending arrangements in the current period.

## 14. Financial instruments

### Currency exposures

A substantial proportion of the net assets of the Fund are denominated in currencies other than Sterling, with the effect that the Balance sheet and total return can be significantly affected by currency movements.

### Net foreign currency assets/(liabilities)

Currency	Total £'000	Monetary exposures £'000	Non-monetary exposures £'000
<b>30.04.20</b>			
Australian Dollar	(159)	(14)	(145)
Canadian Dollar	(199)	(282)	83
Swiss Franc	(223)	(223)	-
Japanese Yen	(601)	(557)	(44)
Hong Kong Dollar	(764)	(764)	-
Euro	(2,385)	(1,925)	(460)
US Dollar	(19,289)	(18,219)	(1,070)

At the period end date, if the value of Sterling increased or decreased by 10% against all other currencies, with all other variables remaining constant, then the net assets attributable to the shareholders will increase or decrease by approximately £2,362,000.

### Interest rate risk

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

Currency	Total assets £'000	Floating rate financial assets £'000	Financial assets not carrying any interest £'000
<b>30.04.20</b>			
UK Sterling	215,173	32,494	182,679
Australian Dollar	(159)	708	(867)
Canadian Dollar	(199)	86	(285)
Swiss Franc	(223)	-	(223)
Japanese Yen	(601)	60	(661)
Hong Kong Dollar	(764)	-	(764)
Euro	(2,385)	658	(3,043)
US Dollar	(19,289)	1,542	(20,831)

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

Currency	Total liabilities £'000	Financial liabilities not carrying any interest £'000
<b>30.04.20</b>		
UK Sterling	2,060	2,060

At the period end, if all interest rates increased or decreased by 10%, with all other variables remaining constant, then the net assets attributable to the shareholders will increase or decrease by approximately £3,555,000.

### Market price risk

At the period end date, if the prices of investments held by the Fund increased or decreased by 10%, with all other variables remaining constant, then net assets attributable to the shareholders would increase or decrease by approximately £15,153,000.

For consideration of other risks including liquidity, pricing and credit risk, please refer to the accounting policies on pages 13 and 14.

# Notes to the financial statements – continued

## 15. Share classes

The Fund currently has two share classes: Class C shares and Class X2 shares. The Authorised Corporate Director's (ACD) fee and operating expenses charge are shown below.

	ACD Fee	Operating expenses (max.)
Class C Shares:	0.35%	0.15%
Class X2 Shares:	0.00%	0.04%

The X2 share class is designed to accommodate an alternative charging structure whereby the annual fee normally charged to the Fund and then passed on in the share price is instead administratively levied and collected by the ACD from the shareholder or through the relevant JPMorgan Chase & Co entity.

The net asset value of each share class, the net asset value per share and the number of shares in each class are shown on pages 32 and 33. All classes have the same rights on winding up.

## 16. Counterparty exposure

### Financial derivative exposure

Counterparty	Forwards currency contracts £'000	Futures contracts £'000	Total £'000
<b>30.04.20</b>			
Barclays	8	-	8
BNP Paribas	50	-	50
CitiGroup	-	317	317
Goldman Sachs	243	-	243
Merrill Lynch	1	-	1
Standard Chartered	2	-	2
	304	317	621

At the balance sheet date no collateral was held or pledged by the company or on behalf of the counterparties in respect of the above.

The counterparty exposure on forward currency contracts is reported at their mark to market values but for futures contracts it is only the positive mark to market values that are reported.



# Notes to the financial statements – continued

## 17. Fair value hierarchy

The purpose of the fair value hierarchy is to prioritise the inputs that should be used to measure the fair value of assets and liabilities. The highest priority is given to quoted prices at which a transaction can be entered into and the lowest priority to unobservable inputs. Disclosure is required of the value in each category in order to give an insight into the extent to which fair value measurements are subjective.

The disclosure is split into the following categories:

**Level 1:** Unadjusted quoted price in an active market for an identical instrument;

**Level 2:** Valuation techniques using observable inputs other than quoted prices within level 1;

**Level 3:** Valuation techniques using unobservable inputs.

	2020 Assets £'000	2020 Liabilities £'000
Level 1: Quoted prices	317	(3,805)
Level 2: Observable market data	171,440	(31)
Total	<u>171,757</u>	<u>(3,836)</u>

## 18. Direct transaction costs

In the case of shares, broker commissions and transfer taxes, stamp duty are paid by the Fund on each transaction. In addition, there is a dealing spread between buying and selling prices of the underlying investments. Unlike shares, other types of investments (such as bonds, money market instruments, derivatives) have no separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and market sentiment.

Comparing portfolio transaction costs for a range of funds may give a false impression of the relative costs of investing in them for the following reasons:

- Transaction costs do not necessarily reduce returns. The net impact of dealing is the combination of the effectiveness of the manager's investment decisions in improving returns and the associated costs of the investment.
- Historic transaction costs are not an effective indicator of the future impact on performance.
- Transaction costs for buying and selling investments due to other investors joining or leaving the fund may be recovered from those investors.
- Transaction costs vary from country to country.
- Transaction costs vary depending on the types of investment in which a fund invests.
- As the manager's investment decisions are not predictable, transaction costs are also not predictable.

	Principal before costs £'000	Commission £'000	Taxes £'000	Total after costs £'000	Commission as % of Principal	Taxes as % of Principal
<b>30.04.20</b>						
<b>Purchases</b>						
Purchases of Funds	(174,973)	-	-	(174,973)	0.00	0.00
	<u>(174,973)</u>	<u>-</u>	<u>-</u>	<u>(174,973)</u>		
<b>Sales</b>						
Sales of Funds	291	-	-	291	0.00	0.00
	<u>291</u>	<u>-</u>	<u>-</u>	<u>291</u>		
Total		<u>-</u>	<u>-</u>			
Percentage of Fund average net assets		<u>0.00%</u>	<u>0.00%</u>			

### Dealing spread

As at the balance sheet date, the average portfolio dealing spread was nil%. This spread represents the difference between the values determined retrospectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

## 19. Shares in issue

	Opening position	Creations	Cancellations	Conversions	Closing position
C-Class Accumulation Shares	-	1,000	-	-	1,000
X2-Class Accumulation Shares	-	200,039,824	(3,409,780)	-	196,630,044

# Distribution table

## Final distribution in pence per share

Group 1 – Shares purchased on 20 September 2019

Group 2 – Shares purchased 20 September 2019 to 30 April 2020

	Net revenue	Equalisation	Distribution payable 31.07.20
<b>X2-Class Accumulation shares</b>			
Group 1	0.110000	-	0.110000
Group 2	0.085091	0.024909	0.110000

## Final distribution in pence per share

Group 1 – Shares purchased on 24 October 2019

Group 2 – Shares purchased 24 October 2019 to 30 April 2020

	Net revenue	Equalisation	Distribution payable 31.07.20
<b>C-Class Accumulation shares</b>			
Group 1	0.000000	-	0.000000
Group 2	0.000000	0.000000	0.000000

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

# JPM Multi-Asset Growth Fund

## Important information

JPM Multi-Asset Growth Fund was launched 20 September 2019.

## Investment objective and policy

To provide capital growth in the long term by investing in a combination of asset classes including equities, fixed income, property and cash with the potential for high levels of price fluctuations.

The Fund may invest either directly or via collective investment schemes, which may be managed by the Investment Adviser or any other member of JPMorgan Chase & Co., in a broad range of assets globally, including emerging markets. Such assets may include equities (including smaller companies), fixed income (including investment grade and non-investment grade, high yield and emerging market debt), property and cash and cash equivalents.

The Fund may invest from 30% to 95% of its assets in equities, up to 45% in government bonds, up to 30% in corporate bonds, up to 20% in property and may hold up to 40% in cash and cash equivalents.

The Fund may use Financial Derivative Instruments (derivatives) for investment purposes or Efficient Portfolio Management including hedging, where appropriate (see Section 11.6 of the Prospectus for Risk Warnings on derivatives).

The Fund may invest in assets denominated in any currency and non-Sterling currency exposure (excluding Emerging Markets local currency) will 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 may use Financial Derivative Instruments (derivatives) and/or forward transactions for investment purposes. The value of derivatives can be volatile. This is because a small movement in the value of the underlying asset can cause a large movement in the value of the derivative and therefore, investment in derivatives may result in losses in excess of the amount invested by the Fund.

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

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

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

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

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.

## Market review

Since the inception of the Fund (September 2019) through to 30 April 2020, global financial markets experienced dramatically varied economic environments. While the fourth quarter of 2019 pointed to a positive turn in global-growth momentum and improved geopolitical conditions across Europe, the US and China, the first four months of 2020 were dramatically impacted by the COVID-19 pandemic that brought the global economy to a halt.

Global equity markets rallied strongly in the fourth quarter of 2019, with the MSCI World Index rising by 7.5% in local-currency terms. The quarter was characterised by a reduction in uncertainty surrounding global trade and British politics, largely encouraging US economic and corporate data, and rising crude oil prices. Stocks rallied on a breakthrough in US-China trade talks as the US decided against proceeding with a planned tariff hike on consumer goods imported from China and the two countries entered into the first phase of a trade deal. Major central banks also continued to take accommodative policy positions.

However, global equity markets fell dramatically in the first quarter of 2020, with the MSCI World Index falling by 20.0% in local-currency terms. The outbreak of the novel coronavirus, COVID-19, escalated from a regional epidemic at the start of the year to a pernicious global pandemic by the end of the first quarter. In response, governments took extraordinary measures to contain the pandemic. Towards the end of March, markets recovered some of the losses as major central banks rushed to approve record stimulus packages and central banks launched programmes to support liquidity and demand for fixed-income assets. Markets continued to rebound strongly in April. COVID-19 continued to spread, but some countries saw daily new-infection rates start to fall and plans for the gradual reopening of economies were laid out.

## Fund performance

Over the period since inception, global equities fell dramatically, while core fixed-income markets provided modest positive returns. With that backdrop in mind, the Fund generated a negative total return and underperformed its benchmark.

Security selection contributed to performance, while active asset allocation detracted during the period. In terms of security selection, the largest contributors were the US and UK equity managers. In terms of asset allocation, the largest detractor was relative-value equity positioning.

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.

## Fund positioning

Since inception, the Fund tended to be underweight stocks versus bonds. While positive market developments were unfolding at the end of 2019, the beginning of the fourth quarter was still marked by uncertainty regarding the US-China trade negotiations and an uninspiring global economic growth picture. The Fund moved to overweight stocks versus bonds in December as the growth picture began improving. However, the Fund cut equity risk dramatically, starting in March, following the novel coronavirus outbreak. Within equities, we maintained relative-value preferences for US and emerging-market equities, while our least-preferred markets were Japan and Europe.

In terms of fixed income, we are broadly neutral duration. Although bond yields are at historically low levels, monetary policy remains accommodative and duration still provides diversification in a multi-asset context.

## Outlook

The COVID-19 crisis, and associated market moves, unfolded with extraordinary and unparalleled speed. In time, we believe, the economy will bounce back; however, the repricing of risk assets to discount left-tail risk is striking. We think markets have entered a new phase in which they are increasingly taking cues from slower-moving news flow covering how lockdowns are likely to be lifted and are looking to economic data for May and June.

With that backdrop in mind, we are cautiously positioned in the portfolio and remain underweight stocks versus bonds. We also hold a significant allocation to cash as we monitor financial markets for opportunities, as and when they present themselves.

## Fund statistics

Risk and Reward Profile		4 <sup>†</sup> (4 at 31 October 2019)	
Fund size		£46.4m	
Benchmark Index		37.5% MSCI All Country World Net Total Return Index (GBP hedged), 37.5% FTSE All Share Net Index, 12.5% Bloomberg Barclays Global Aggregate Bond Index (GBP hedged), 12.5% Bloomberg Barclays Sterling Aggregate Bond Index	
Fund charges and expenses		C-Class	X2-Class
Initial charge (max.)		Nil	Nil
Exit charge		Nil	Nil
Fund expenses (comprises)			
Annual management fee		0.35%	-
Operating expenses (max.)		0.15%	0.04%
Synthetic fee adjustment from underlying fund holdings		0.04%	0.04%

<sup>†</sup> 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>

<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.

<sup>1</sup> C-Class Accumulation shares were launched on 24 October 2019.

<sup>2</sup> X2-Class Accumulation shares were launched on 20 September 2019.

Source: FTSE International Limited ("FTSE") © FTSE 2014. "FTSE®" is a trade mark of London Stock Exchange Plc and The Financial Times Limited and is used by FTSE International Limited under licence. All rights in the FTSE indices and/or FTSE ratings vest in FTSE and/or its licensors. Neither FTSE nor its licensors accept any liability for any errors or omissions in the FTSE indices and/or FTSE ratings or underlying data. No further distribution of FTSE Data is permitted without FTSE's express written consent.

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## Comparative tables

	2020 <sup>††</sup> pps
<b>C-Class Accumulation Shares<sup>‡</sup></b>	
<b>Change in net asset value per share</b>	
Opening net asset value per share	100.00
Return before operating charges*	(11.26)
Operating charges	(0.53)
Return after operating charges*	(11.79)
Distributions	(0.05)
Retained distributions on accumulation shares	0.05
Closing net asset value per share	88.21
* after direct transaction costs of	0.00

### Performance

% Return after operating charges <sup>^</sup>	(11.79)%
% Benchmark index	(8.44)%

### Other information

Closing net asset value (£'000)	1
Closing number of shares	1,000
% Operating charges	0.54%
% Direct transaction costs	0.00%

### Prices

Highest share price	106.6
Lowest share price	80.31

## Comparative tables - continued

	2020 <sup>##</sup>
<b>X2-Class Accumulation Shares<sup>###</sup></b>	pps
<b>Change in net asset value per share</b>	
Opening net asset value per share	100.00
Return before operating charges*	(11.53)
Operating charges	(0.07)
Return after operating charges*	(11.60)
Distributions	(0.14)
Retained distributions on accumulation shares	0.14
Closing net asset value per share	88.40
* after direct transaction costs of	0.00

### Performance

% Return after operating charges <sup>^</sup>	(11.60)%
% Benchmark index	(8.26)%

### Other information

Closing net asset value (£'000)	46,387
Closing number of shares	52,476,038
% Operating charges	0.08%
% Direct transaction costs	0.00%

### Prices

Highest share price	106.9
Lowest share price	80.52

The Operating charges are calculated on an accruals basis and as such may differ from the Ongoing charge figure where:

(a) Changes to fee rates were made during the year and the Ongoing charge figure has been amended to be future proofed for this change.

(b) The Ongoing charge has been annualised for a share class that has not yet been open for a full year. Please refer to the Direct transaction costs note on page 49, for more detail regarding the nature of transaction costs and how they arise for different types of investments.

‡ C-Class Accumulation shares were launched on 24 October 2019. The Opening net asset value per share given is equal to the launch price of the shares.

## To 30 April 2020.

### X2-Class Accumulation shares were launched on 20 September 2019. The Opening net asset value per share given is equal to the launch price of the shares.

<sup>^</sup> Performance returns are calculated using the net asset value per share from the financial statements as opposed to the dealing price for the last business day of the period.

## Asset breakdown

	%
Collective Investment Schemes	92.15
Liquidity Funds	1.98
Forward Currency Contracts	0.40
Futures	(5.55)
Net other assets	11.02

# Portfolio statement

As at 30 April 2020

Investment	Holding	Market value £'000	Total net assets %
<b>Collective Investment Schemes 92.15%</b>			
JPM Asia Pacific Equity Fund X2 - Net Accumulation <sup>o</sup>	838,067	824	1.78
JPM Emerging Markets Fund X2 - Net Accumulation <sup>o</sup>	568,999	1,356	2.92
JPM Europe (ex-UK) Research Enhanced Index Equity Fund X2 - Net Accumulation <sup>o</sup>	984,970	872	1.88
JPM Global (ex-UK) Bond Fund X2 - Gross Accumulation <sup>o</sup>	2,749,955	2,841	6.12
JPM Global Corporate Bond Fund X2 - Gross Accumulation <sup>o</sup>	2,637,105	2,689	5.80
JPM Global Research Enhanced Index Equity Fund X2 - Net Accumulation <sup>o</sup>	10,634,325	10,107	21.79
JPM Sterling Corporate Bond Fund X2 - Gross Accumulation <sup>o</sup>	2,335,655	2,478	5.34
JPM UK Equity Core Fund X2 - Net Accumulation <sup>o</sup>	16,480,530	14,061	30.31
JPM UK Government Bond Fund X2 - Gross Accumulation <sup>o</sup>	3,458,682	3,728	8.04
JPM US Research Enhanced Index Equity Fund X2 - Net Accumulation <sup>o</sup>	3,804,715	3,790	8.17
<b>Collective Investment Schemes total</b>		<b>42,746</b>	<b>92.15</b>
<b>Forward Currency Contracts 0.40%</b>			
Buy EUR 60,000 sell GBP 52,461 dated 01/06/2020		-	-
Buy GBP 328,645 sell AUD 636,837 dated 01/06/2020		(4)	(0.01)
Buy GBP 170,362 sell CAD 295,547 dated 01/06/2020		-	-
Buy GBP 450,968 sell CHF 543,179 dated 02/06/2020		3	0.01
Buy GBP 1,800,656 sell EUR 2,059,407 dated 01/06/2020		10	0.02
Buy GBP 690,283 sell HKD 6,287,809 dated 04/05/2020		42	0.09
Buy GBP 655,957 sell HKD 6,287,809 dated 01/06/2020		8	0.02
Buy GBP 801,345 sell JPY 106,521,733 dated 01/06/2020		3	0.01
Buy GBP 11,471,867 sell USD 14,181,204 dated 01/06/2020		141	0.30
Buy HKD 6,287,809 sell GBP 656,350 dated 04/05/2020		(8)	(0.02)
Buy USD 731,656 sell GBP 592,951 dated 01/06/2020		(8)	(0.02)
<b>Forward Currency Contracts total</b>		<b>187</b>	<b>0.40</b>
<b>Futures (5.55)%</b>			
Australia 10 Year Bond 15/06/2020	21	(42)	(0.09)
Euro-Bund 08/06/2020	(8)	11	0.02
Euro-Schatz 08/06/2020	11	(2)	-
EURO STOXX 50 Index 19/06/2020	(79)	(369)	(0.80)
FTSE 100 Index 19/06/2020	(113)	(1,100)	(2.37)
Long Gilt 26/06/2020	(23)	(42)	(0.09)
MSCI Emerging Markets Index 19/06/2020	(35)	(174)	(0.37)
S&P 500 Emini Index 19/06/2020	(43)	(941)	(2.03)
S&P/TSX 60 Index 18/06/2020	3	62	0.13
TOPIX Index 11/06/2020	(5)	(37)	(0.08)
US 2 Year Note 30/06/2020	(15)	(15)	(0.03)
US 10 Year Note 19/06/2020	24	72	0.16
<b>Futures total</b>		<b>(2,577)</b>	<b>(5.55)</b>
<b>Liquidity Funds 1.98%</b>			
JPM GBP Liquidity LVNAV Fund X (dist.) <sup>o</sup>	919,803	920	1.98
<b>Liquidity Funds total</b>		<b>920</b>	<b>1.98</b>
Investment assets*		41,276	88.98
Net other assets		5,112	11.02
<b>Net assets</b>		<b>46,388</b>	<b>100.00</b>

<sup>o</sup> A related party to the Fund.

<sup>§</sup> Cash equivalent.

\* Including derivative liabilities and cash equivalents.

# Financial statements

## Statement of total return

For the period from 20 September 2019 to 30 April 2020

	2020 £'000
Income	
Net capital losses (Note 2)	(7,358)
Revenue (Note 3)	85
Expenses (Note 4)	(6)
Net revenue before taxation	79
Taxation (Note 5)	(4)
Net revenue after taxation	75
<b>Total return before distributions</b>	<b>(7,283)</b>
Distributions (Note 6)	(69)
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>(7,352)</b>

## Statement of change in net assets attributable to shareholders

For the period from 20 September 2019 to 30 April 2020

	2020 £'000
<b>Opening net assets attributable to shareholders</b>	<b>-</b>
Amounts receivable on issue of shares	53,975
Amounts payable on cancellation of shares	(310)
	53,665
Dilution adjustment	2
Change in net assets attributable to shareholders from investment activities (see above)	(7,352)
Retained distributions on accumulation shares	73
<b>Closing net assets attributable to shareholders</b>	<b>46,388</b>

## Balance sheet

As at 30 April

	2020 £'000
<b>Assets:</b>	
Investments	43,098
<b>Current assets:</b>	
Debtors (Note 8)	580
Cash and bank balances (Note 9)	5,004
Cash equivalents	920
<b>Total assets</b>	<b>49,602</b>
<b>Liabilities:</b>	
Investment liabilities	(2,742)
<b>Creditors:</b>	
Other creditors (Note 10)	(472)
<b>Total liabilities</b>	<b>(3,214)</b>
<b>Net assets attributable to shareholders</b>	<b>46,388</b>

The notes to these financial statements are shown on pages 46 to 49.

# Notes to the financial statements for the period from 20 September 2019 to 30 April 2020

## 1. Accounting policies

The applicable accounting policies adopted by JPM Multi-Asset Growth Fund are disclosed on page 13.

## 2. Net capital losses

	2020 £'000
Realised gains on currencies	40
Realised gains on derivative contracts	418
Realised losses on forward currency contracts	(797)
Realised gains on non-derivative securities	7
Unrealised losses on currencies	(14)
Unrealised losses on derivative contracts	(2,595)
Unrealised gains on forward currency contracts	187
Unrealised losses on non-derivative securities	(4,604)
Net capital losses	<u>(7,358)</u>

## 3. Revenue

	2020 £'000
Distributions from authorised ICVCs	78
Income from Liquidity Funds	1
Interest on derivatives	1
Management fee rebates	5
Total revenue	<u>85</u>

## 4. Expenses

	2020 £'000
<b>Payable to the ACD or associate of the ACD:</b>	
ACD fee	-
Operating expenses	5
	<u>5</u>
Interest payable	1
	<u>1</u>
Total expenses	<u>6</u>

The fees paid to the auditors for the period ended 30 April 2020 are £5,830, with additional fees of £1,254 relating to other audit services. These fees form part of the operating expenses, the ACD will bear any excess of the actual operating expenses of the Fund above the maximum levels disclosed in note 15.

## 5. Taxation

	2020 £'000
<b>a) Analysis of charge in the period</b>	
Corporation tax at 20%	4
Current period tax charge (Note 5b)	<u>4</u>

### b) Factors affecting the tax charge for the period

The tax assessed for the period is lower than the standard rate of corporation tax in the UK for an Open-Ended Investment Company (OEIC) (20%). The differences are explained below.

Net revenue before taxation	79
Corporation tax at 20%	<u>16</u>
Effects of:	
Dividends not subject to corporation tax	(12)
	<u>(12)</u>
Total tax charge (Note 5a)	<u>4</u>

No deferred tax asset has been recognised in the financial statements.

## 6. Distributions

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

	2020 £'000
Final dividend distribution	73
Deduct: Amounts receivable on issue of shares	(4)
Distributions for the period	<u>69</u>

Details of the distribution per share are set out on page 50.

## 7. Movement between net revenue after taxation and distributions

	2020 £'000
Net revenue after taxation	75
Deduct: Undistributed revenue carried forward	(6)
	<u>69</u>

## 8. Debtors

	2020 £'000
Due from the ACD for shares issued	578
Expense rebate recoverable	1
Income tax recoverable	1
Total debtors	<u>580</u>



# Notes to the financial statements – continued

## 9. Cash and bank balances

	2020 £'000
Amounts held at futures clearing houses and brokers	4,592
Cash and bank balances	412
Total cash and cash equivalents	<u>5,004</u>

## 10. Other creditors

	2020 £'000
Accrued expenses	2
Corporation tax payable	4
Purchases awaiting settlement	466
Total other creditors	<u>472</u>

## 11. Contingent liabilities

There were no contingent liabilities at the balance sheet date.

## 12. Related party transactions

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

The balance due from the ACD and their associates at the period end date in respect of related party transactions was £576,559. Details of related party transactions are given under note on page 14.

Ordinary operating expenses incurred by the Fund shown in note 4 may be paid out of the Scheme Property and are capped for each share class. The ACD will bear any excess of the actual operating expenses of the Fund above the maximum levels.

Investments considered to be related parties have been identified in the portfolio statement on page 44 and the revenue from these investments was £78,921.

The following party held a material interest in the Fund at the period end date:  
- State Street Nominees Ltd 100.00%.

## 13. Stock lending

The Fund has not entered into stock lending arrangements in the current period.

## 14. Financial instruments

### Currency exposures

A substantial proportion of the net assets of the Fund are denominated in currencies other than Sterling, with the effect that the Balance sheet and total return can be significantly affected by currency movements.

Currency	Net foreign currency assets/(liabilities)		
	Total £'000	Monetary exposures £'000	Non-monetary exposures £'000
<b>30.04.20</b>			
Canadian Dollar	(131)	(193)	62
Australian Dollar	(312)	(270)	(42)
Swiss Franc	(448)	(448)	-
Hong Kong Dollar	(648)	(648)	-
Japanese Yen	(788)	(751)	(37)
Euro	(1,652)	(1,292)	(360)
US Dollar	(10,669)	(9,611)	(1,058)

At the period end date, if the value of Sterling increased or decreased by 10% against all other currencies, with all other variables remaining constant, then the net assets attributable to the shareholders will increase or decrease by approximately £1,465,000.

### Interest rate risk

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

Currency	Total assets £'000	Floating rate financial assets £'000	Financial assets not carrying any interest
			£'000
<b>30.04.20</b>			
UK Sterling	61,508	4,256	57,252
Canadian Dollar	(131)	(23)	(108)
Australian Dollar	(312)	63	(375)
Swiss Franc	(448)	-	(448)
Hong Kong Dollar	(648)	-	(648)
Japanese Yen	(788)	47	(835)
Euro	(1,652)	446	(2,098)
US Dollar	(10,669)	1,135	(11,804)

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

Currency	Total liabilities £'000	Floating rate financial liabilities £'000	Financial liabilities not carrying any interest
			£'000
<b>30.04.20</b>			
UK Sterling	472	-	472

At the period end, if all interest rates increased or decreased by 10%, with all other variables remaining constant, then the net assets attributable to the shareholders will increase or decrease by approximately £592,000.

### Market price risk

At the period end date, if the prices of investments held by the Fund increased or decreased by 10%, with all other variables remaining constant, then net assets attributable to the shareholders would increase or decrease by approximately £4,036,000.

For consideration of other risks including liquidity, pricing and credit risk, please refer to the accounting policies on pages 13 and 14.

# Notes to the financial statements – continued

## 15. Share classes

The Fund currently has two share classes; Class C Shares and Class X2 Shares. The Authorised Corporate Director's (ACD) fee and operating expenses charge are shown below.

	ACD Fee	Operating expenses (max.)
Class C Shares:	0.35%	0.15%
Class X2 Shares:	0.00%	0.04%

The X2 share class is designed to accommodate an alternative charging structure whereby the annual fee normally charged to the Fund and then passed on in the share price is instead administratively levied and collected by the ACD from the shareholder or through the relevant JPMorgan Chase & Co entity.

The net asset value of each share class, the net asset value per share and the number of shares in each class are shown on page 42 and 43. All classes have the same rights on winding up.

## 16. Counterparty exposure

### Financial derivative exposure

Counterparty	Forwards currency contracts £'000	Futures contracts £'000	Total £'000
<b>30.04.20</b>			
Barclays	4	-	4
BNP Paribas	44	-	44
CitiGroup	-	145	145
Goldman Sachs	138	-	138
Merrill Lynch	4	-	4
Standard Chartered	(3)	-	(3)
	187	145	332

At the balance sheet date no collateral was held or pledged by the company or on behalf of the counterparties in respect of the above.

The counterparty exposure on forward currency contracts is reported at their mark to market values but for futures contracts it is only the positive mark to market values that are reported.

# Notes to the financial statements – continued

## 17. Fair value hierarchy

The purpose of the fair value hierarchy is to prioritise the inputs that should be used to measure the fair value of assets and liabilities. The highest priority is given to quoted prices at which a transaction can be entered into and the lowest priority to unobservable inputs. Disclosure is required of the value in each category in order to give an insight into the extent to which fair value measurements are subjective.

The disclosure is split into the following categories:

**Level 1:** Unadjusted quoted price in an active market for an identical instrument;

**Level 2:** Valuation techniques using observable inputs other than quoted prices within level 1;

**Level 3:** Valuation techniques using unobservable inputs.

	2020 Assets £'000	2020 Liabilities £'000
Level 1: Quoted prices	145	(2,722)
Level 2: Observable market data	43,873	(20)
Total	<u>44,018</u>	<u>(2,742)</u>

## 18. Direct transaction costs

In the case of shares, broker commissions and transfer taxes, stamp duty are paid by the Fund on each transaction. In addition, there is a dealing spread between buying and selling prices of the underlying investments. Unlike shares, other types of investments (such as bonds, money market instruments, derivatives) have no separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and market sentiment.

Comparing portfolio transaction costs for a range of funds may give a false impression of the relative costs of investing in them for the following reasons:

- Transaction costs do not necessarily reduce returns. The net impact of dealing is the combination of the effectiveness of the manager's investment decisions in improving returns and the associated costs of the investment.
- Historic transaction costs are not an effective indicator of the future impact on performance.
- Transaction costs for buying and selling investments due to other investors joining or leaving the fund may be recovered from those investors.
- Transaction costs vary from country to country.
- Transaction costs vary depending on the types of investment in which a fund invests.
- As the manager's investment decisions are not predictable, transaction costs are also not predictable.

	Principal before costs £'000	Commission £'000	Taxes £'000	Total after costs £'000	Commission as % of Principal	Taxes as % of Principal
<b>30.04.20</b>						
<b>Purchases</b>						
Purchases of Funds	(55,171)	-	-	(55,171)	0.00	0.00
	<u>(55,171)</u>	<u>-</u>	<u>-</u>	<u>(55,171)</u>		
<b>Sales</b>						
Sales of Funds	6,908	-	-	6,908	0.00	0.00
	<u>6,908</u>	<u>-</u>	<u>-</u>	<u>6,908</u>		
Total	<u>-</u>	<u>-</u>	<u>-</u>			
Percentage of Fund average net assets		<u>0.00%</u>	<u>0.00%</u>			

### Dealing spread

As at the balance sheet date, the average portfolio dealing spread was nil%. This spread represents the difference between the values determined retrospectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

## 19. Shares in issue

	Opening position	Creations	Cancellations	Conversions	Closing position
C-Class Accumulation Shares	-	1,000	-	-	1,000
X2-Class Accumulation Shares	-	52,815,098	(339,060)	-	52,476,038

# Distribution table

## Final distribution in pence per share

Group 1 - Shares purchased on 20 September 2019

Group 2 - Shares purchased 20 September 2019 to 30 April 2020

	Net revenue	Equalisation	Distribution payable 31.07.20
<b>X2-Class Accumulation Shares</b>			
Group 1	0.140000	-	0.140000
Group 2	0.131917	0.008083	0.140000

## Final distribution in pence per share

Group 1 - Shares purchased on 24 October 2019

Group 2 - Shares purchased 24 October 2019 to 30 April 2020

	Net revenue	Equalisation	Distribution payable 31.07.20
<b>C-Class Accumulation shares</b>			
Group 1	0.050000	-	0.050000
Group 2	0.050000	0.000000	0.050000

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

# JPM Multi-Asset Moderate Fund

## Important information

JPM Multi-Asset Moderate Fund was launched 20 September 2019.

## Investment objective and policy

To provide capital growth in the long term by investing in a combination of asset classes including equities, fixed income, property and cash with the potential for moderate to high levels of price fluctuations.

The Fund may invest either directly or via collective investment schemes, which may be managed by the Investment Adviser or any other member of JPMorgan Chase & Co., in a broad range of assets globally, including emerging markets. Such assets may include equities (including smaller companies), fixed income (including investment grade and non-investment grade, high yield and emerging market debt), property and cash and cash equivalents.

The Fund may invest from 20% to 70% of its assets in equities, 5% to 60% in government bonds, up to 30% in corporate bonds, up to 20% in property and may hold up to 40% in cash and cash equivalents.

The Fund may use Financial Derivative Instruments (derivatives) for investment purposes or Efficient Portfolio Management including hedging, where appropriate (see Section 11.6 of the Prospectus for Risk Warnings on derivatives).

The Fund may invest in assets denominated in any currency and non-Sterling currency exposure (excluding Emerging Markets local currency) will 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 may use Financial Derivative Instruments (derivatives) and/or forward transactions for investment purposes. The value of derivatives can be volatile. This is because a small movement in the value of the underlying asset can cause a large movement in the value of the derivative and therefore, investment in derivatives may result in losses in excess of the amount invested by the Fund.

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

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

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

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

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.

## Market review

Since the inception of the Fund (September 2019) through to 30 April 2020, global financial markets experienced dramatically varied economic environments. While the fourth quarter of 2019 pointed to a positive turn in global-growth momentum and improved geopolitical conditions across Europe, the US and China, the first four months of 2020 were dramatically impacted by the COVID-19 pandemic that brought the global economy to a halt.

Global equity markets rallied strongly in the fourth quarter of 2019, with the MSCI World Index rising by 7.5% in local-currency terms. The quarter was characterised by a reduction in uncertainty surrounding global trade and British politics, largely encouraging US economic and corporate data, and rising crude oil prices. Stocks rallied on a breakthrough in US-China trade talks as the US decided against proceeding with a planned tariff hike on consumer goods imported from China and the two countries entered into the first phase of a trade deal. Major central banks also continued to take accommodative policy positions.

However, global equity markets fell dramatically in the first quarter of 2020, with the MSCI World Index falling 20.0% in local-currency terms. The outbreak of the novel coronavirus, COVID-19, escalated from a regional epidemic at the start of the year to a pernicious global pandemic by the end of the first quarter. In response, governments took extraordinary measures to contain the pandemic. Towards the end of March, markets recovered some of the losses as major central banks rushed to approve record stimulus packages and central banks launched programmes to support liquidity and demand for fixed-income assets. Markets continued to rebound strongly in April. COVID-19 continued to spread, but some countries saw daily new-infection rates start to fall and plans for the gradual reopening of economies were laid out.

## Fund performance

Over the period since inception, global equities fell dramatically, while core fixed-income markets provided modest positive returns. With that backdrop in mind, the Fund generated a negative total return and underperformed its benchmark.

Security selection contributed to performance, while active asset allocation detracted during the period. In terms of security selection, the largest contributors were the US and UK equity managers. In terms of asset allocation, the largest detractor was relative-value equity positioning.

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.

## Fund positioning

Since inception, the Fund tended to be underweight stocks versus bonds. While positive market developments were unfolding at the end of 2019, the beginning of the fourth quarter was still marked by uncertainty regarding the US-China trade negotiations and an uninspiring global economic growth picture. The Fund moved to overweight stocks versus bonds in December as the growth picture began improving. However, the Fund cut equity risk dramatically, starting in March, following the novel coronavirus outbreak. Within equities, we maintained relative-value preferences for US and emerging-market equities, while our least-preferred markets were Japan and Europe.

In terms of fixed income, we are broadly neutral duration. Although bond yields are at historically low levels, monetary policy remains accommodative and duration still provides diversification in a multi-asset context.

## Outlook

The COVID-19 crisis, and associated market moves, unfolded with extraordinary and unparalleled speed. In time, we believe, the economy will bounce back; however, the repricing of risk assets to discount left-tail risk is striking. We think markets have entered a new phase in which they are increasingly taking cues from slower-moving news flow covering how lockdowns are likely to be lifted and are looking to economic data for May and June.

With that backdrop in mind, we are cautiously positioned in the portfolio and remain underweight stocks versus bonds. We also hold a significant allocation to cash as we monitor financial markets for opportunities, as and when they present themselves.

## Fund statistics

Risk and Reward Profile	4† (4 at 31 October 2019)	
Fund size	£783.8m	
Benchmark Index	30% MSCI All Country World Net Total Return Index (GBP hedged), 30% FTSE All Share Net Index, 17.5% Bloomberg Barclays Global Aggregate Bond Index (GBP hedged), 17.5% Bloomberg Barclays Sterling Aggregate Bond Index, 5% Cash (1 week GBP LIBID)	
Fund charges and expenses	C-Class	X2-Class
Initial charge (max.)	Nil	Nil
Exit charge	Nil	Nil
Fund expenses (comprises)		
Annual management fee	0.35%	-
Operating expenses (max.)	0.15%	0.04%
Synthetic fee adjustment from underlying fund holdings	0.04%	0.04%

† 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>

^ 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.

Source: FTSE International Limited ("FTSE") © FTSE 2014. "FTSE®" is a trade mark of London Stock Exchange Plc and The Financial Times Limited and is used by FTSE International Limited under licence. All rights in the FTSE indices and/or FTSE ratings vest in FTSE and/or its licensors. Neither FTSE nor its licensors accept any liability for any errors or omissions in the FTSE indices and/or FTSE ratings or underlying data. No further distribution of FTSE Data is permitted without FTSE's express written consent.

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## Comparative tables

C-Class Accumulation Shares <sup>‡</sup>	2020 <sup>##</sup> pps
<b>Change in net asset value per share</b>	
Opening net asset value per share	100.00
Return before operating charges*	(9.02)
Operating charges	(0.25)
Return after operating charges*	(9.27)
Distributions	(0.07)
Retained distributions on accumulation shares	0.07
Closing net asset value per share	90.73
* after direct transaction costs of	0.00

### Performance

% Return after operating charges <sup>^</sup>	(9.27)%
% Benchmark index	(6.11)%

### Other information

Closing net asset value (£'000)	33,957
Closing number of shares	37,427,667
% Operating charges	0.46%
% Direct transaction costs	0.00%

### Prices

Highest share price	105.7
Lowest share price	83.22

## Comparative tables - continued

	2020 <sup>##</sup>
X2-Class Accumulation Shares <sup>###</sup>	pps
<b>Change in net asset value per share</b>	
Opening net asset value per share	100.00
Return before operating charges*	(9.15)
Operating charges	(0.06)
Return after operating charges*	(9.21)
Distributions	(0.17)
Retained distributions on accumulation shares	0.17
Closing net asset value per share	90.79
* after direct transaction costs of	0.00

### Performance

% Return after operating charges <sup>^</sup>	(9.21)%
% Benchmark index	(5.98)%

### Other information

Closing net asset value (£'000)	749,852
Closing number of shares	825,898,313
% Operating charges	0.08%
% Direct transaction costs	0.00%

### Prices

Highest share price	105.8
Lowest share price	83.27

The Operating charges are calculated on an accruals basis and as such may differ from the Ongoing charge figure where:

(a) Changes to fee rates were made during the year and the Ongoing charge figure has been amended to be future proofed for this change.

(b) The Ongoing charge has been annualised for a share class that has not yet been open for a full year. Please refer to the Direct transaction costs note on page 59, for more detail regarding the nature of transaction costs and how they arise for different types of investments.

‡ C-Class Accumulation shares were launched on 24 October 2019. The Opening net asset value per share given is equal to the launch price of the shares.

## To 30 April 2020.

### X2-Class Accumulation shares were launched on 20 September 2019. The Opening net asset value per share given is equal to the launch price of the shares.

<sup>^</sup> Performance returns are calculated using the net asset value per share from the financial statements as opposed to the dealing price for the last business day of the period.

## Asset breakdown

	%
Collective Investment Schemes	93.16
Liquidity Funds	1.10
Forward Currency Contracts	0.34
Futures	(5.38)
Net other assets	10.78

# Portfolio statement

As at 30 April 2020

Investment	Holding	Market value £'000	Total net assets %
<b>Collective Investment Schemes 93.16%</b>			
JPM Asia Pacific Equity Fund X2 - Net Accumulation <sup>Ⓐ</sup>	12,693,323	12,482	1.59
JPM Emerging Markets Fund X2 - Net Accumulation <sup>Ⓐ</sup>	5,892,555	14,042	1.79
JPM Europe (ex-UK) Research Enhanced Index Equity Fund X2 - Net Accumulation <sup>Ⓐ</sup>	16,965,115	15,022	1.92
JPM Global (ex-UK) Bond Fund X2 - Gross Accumulation <sup>Ⓐ</sup>	69,760,050	72,062	9.20
JPM Global Corporate Bond Fund X2 - Gross Accumulation <sup>Ⓐ</sup>	70,758,815	72,156	9.21
JPM Global Research Enhanced Index Equity Fund X2 - Net Accumulation <sup>Ⓐ</sup>	140,722,425	133,738	17.06
JPM Sterling Corporate Bond Fund X2 - Gross Accumulation <sup>Ⓐ</sup>	65,328,435	69,313	8.84
JPM UK Equity Core Fund X2 - Net Accumulation <sup>Ⓐ</sup>	236,007,295	201,361	25.69
JPM UK Government Bond Fund X2 - Gross Accumulation <sup>Ⓐ</sup>	69,439,894	74,850	9.55
JPM US Research Enhanced Index Equity Fund X2 - Net Accumulation <sup>Ⓐ</sup>	65,398,965	65,153	8.31
<b>Collective Investment Schemes total</b>		<b>730,179</b>	<b>93.16</b>
<b>Forward Currency Contracts 0.34%</b>			
Buy GBP 3,511,137 sell AUD 6,803,766 dated 01/06/2020		(48)	(0.01)
Buy GBP 2,078,061 sell CAD 3,605,065 dated 01/06/2020		1	-
Buy GBP 5,450,904 sell CHF 6,565,467 dated 02/06/2020		42	0.01
Buy GBP 27,478,729 sell EUR 31,427,368 dated 01/06/2020		155	0.02
Buy GBP 8,671,651 sell HKD 78,990,311 dated 04/05/2020		528	0.07
Buy GBP 8,240,431 sell HKD 78,990,311 dated 01/06/2020		101	0.01
Buy GBP 10,760,312 sell JPY 1,430,354,339 dated 01/06/2020		35	-
Buy GBP 168,264,172 sell USD 208,018,822 dated 01/06/2020		2,064	0.26
Buy HKD 78,990,311 sell GBP 8,245,370 dated 04/05/2020		(102)	(0.01)
Buy USD 7,915,842 sell GBP 6,409,713 dated 01/06/2020		(85)	(0.01)
<b>Forward Currency Contracts total</b>		<b>2,691</b>	<b>0.34</b>
<b>Futures (5.38)%</b>			
Australia 10 Year Bond 15/06/2020	380	(767)	(0.10)
Euro-Bund 08/06/2020	(164)	216	0.03
Euro-Schatz 08/06/2020	259	(42)	(0.01)
EURO STOXX 50 Index 19/06/2020	(1157)	(5,402)	(0.69)
FTSE 100 Index 19/06/2020	(1820)	(18,540)	(2.37)
Long Gilt 26/06/2020	(225)	(745)	(0.09)
MSCI Emerging Markets Index 19/06/2020	(349)	(1,693)	(0.22)
S&P 500 Emini Index 19/06/2020	(757)	(16,262)	(2.07)
S&P/TSX 60 Index 18/06/2020	36	745	0.10
TOPIX Index 11/06/2020	(73)	(539)	(0.07)
US 10 Year Note 19/06/2020	328	883	0.11
<b>Futures total</b>		<b>(42,146)</b>	<b>(5.38)</b>
<b>Liquidity Funds 1.10%</b>			
JPM GBP Liquidity LVNAV Fund X (dist.) <sup>Ⓐ</sup>	8,582,205	8,582	1.10
<b>Liquidity Funds total</b>		<b>8,582</b>	<b>1.10</b>
Investment assets*		699,306	89.22
Net other assets		84,503	10.78
<b>Net assets</b>		<b>783,809</b>	<b>100.00</b>

<sup>Ⓐ</sup> A related party to the Fund.

<sup>Ⓕ</sup> Cash equivalent.

\* Including derivative liabilities and cash equivalents.



# Financial statements

## Statement of total return

For the period from 20 September 2019 to 30 April 2020

	2020 £'000
Income	
Net capital losses (Note 2)	(90,653)
Revenue (Note 3)	1,764
Expenses (Note 4)	(205)
Net revenue before taxation	1,559
Taxation (Note 5)	(116)
Net revenue after taxation	1,443
<b>Total return before distributions</b>	<b>(89,210)</b>
Distributions (Note 6)	(1,391)
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>(90,601)</b>

## Statement of change in net assets attributable to shareholders

For the period from 20 September 2019 to 30 April 2020

	2020 £'000
<b>Opening net assets attributable to shareholders</b>	<b>-</b>
Amounts receivable on issue of shares	893,471
Amounts payable on cancellation of shares	(20,495)
	872,976
Dilution adjustment	4
Change in net assets attributable to shareholders from investment activities (see above)	(90,601)
Retained distributions on accumulation shares	1,430
<b>Closing net assets attributable to shareholders</b>	<b>783,809</b>

## Balance sheet

As at 30 April

	2020 £'000
<b>Assets:</b>	
Investments	734,949
<b>Current assets:</b>	
Debtors (Note 8)	4,608
Cash and bank balances (Note 9)	81,257
Cash equivalents	8,582
<b>Total assets</b>	<b>829,396</b>
<b>Liabilities:</b>	
Investment liabilities	(44,225)
<b>Creditors:</b>	
Other creditors (Note 10)	(1,362)
<b>Total liabilities</b>	<b>(45,587)</b>
<b>Net assets attributable to shareholders</b>	<b>783,809</b>

The notes to these financial statements are shown on pages 56 to 59.

# Notes to the financial statements for the period from 20 September 2019 to 30 April 2020

## 1. Accounting policies

The applicable accounting policies adopted by JPM Multi-Asset Moderate Fund are disclosed on page 13.

## 2. Net capital losses

	2020 £'000
Realised gains on currencies	263
Realised gains on derivative contracts	5,622
Realised losses on forward currency contracts	(10,228)
Realised gains on non-derivative securities	215
Unrealised losses on currencies	(39)
Unrealised losses on derivative contracts	(42,363)
Unrealised gains on forward currency contracts	2,691
Unrealised losses on non-derivative securities	(46,814)
Net capital losses	<u>(90,653)</u>

## 3. Revenue

	2020 £'000
Distributions from authorised ICVCs	1,576
Income from Liquidity Funds	109
Interest on bank and term deposits	1
Interest on derivatives	(38)
Management fee rebates	116
Total revenue	<u>1,764</u>

## 4. Expenses

	2020 £'000
<b>Payable to the ACD or associate of the ACD:</b>	
ACD fee	55
Operating expenses	132
	<u>187</u>
Interest payable	<u>18</u>
Total expenses	<u>205</u>

The fees paid to the auditors for the period ended 30 April 2020 are £5,830, with additional fees of £1,254 relating to other audit services. These fees form part of the operating expenses.

## 5. Taxation

	2020 £'000
<b>a) Analysis of charge in the period</b>	
Corporation tax at 20%	116
Current year tax charge (Note 5b)	<u>116</u>
<b>b) Factors affecting the tax charge for the period</b>	
The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an Open-Ended Investment Company (OEIC) (20%). The differences are explained below.	
Net revenue before taxation	1,559
Corporation tax at 20%	<u>312</u>
Effects of:	
Dividends not subject to corporation tax	<u>(196)</u>
	<u>(196)</u>
Total tax charge (Note 5a)	<u>116</u>

No deferred tax asset has been recognised in the financial statements.

## 6. Distributions

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

	2020 £'000
Final dividend distribution	1,430
Add: Amounts payable on cancellation of shares	6
Deduct: Amounts receivable on issue of shares	<u>(45)</u>
Distributions for the period	<u>1,391</u>

Details of the distribution per share are set out on page 60.

## 7. Movement between net revenue after taxation and distributions

	2020 £'000
Net revenue after taxation	1,443
Deduct: Undistributed revenue carried forward	<u>(52)</u>
	<u>1,391</u>

## 8. Debtors

	2020 £'000
Due from the ACD for shares issued	4,582
Expense rebate recoverable	23
Income tax recoverable	<u>3</u>
Total debtors	<u>4,608</u>

# Notes to the financial statements – continued

## 9. Cash and bank balances

	2020 £'000
Amounts held at futures clearing houses and brokers	74,192
Cash and bank balances	7,065
Total cash and cash equivalents	<u>81,257</u>

## 10. Other creditors

	2020 £'000
Accrued expenses	39
Corporation tax payable	116
Due to the ACD for shares cancelled	1,207
Total other creditors	<u>1,362</u>

## 11. Contingent liabilities

There were no contingent liabilities at the balance sheet date.

## 12. Related party transactions

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

The balance due from the ACD and their associates at the period end date in respect of related party transactions was £3,337,110. Details of related party transactions are given under the note on page 14.

Investments considered to be related parties have been identified in the portfolio statement on page 54 and the revenue from these investments was £1,355,423.

Management fee rebates received or receivable from underlying funds considered to be related parties are disclosed under Net capital gains and Revenue in the Notes to the financial statements. Amounts due at the balance sheet date are £22,917 disclosed under Debtors in the Notes to the financial statements.

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

- HSBC Global Custody Nominee (UK) Ltd 69.43%
- State Street Nominees Ltd 30.57%

## 13. Stock lending

The company has not entered into stock lending arrangements in the current period.

## 14. Financial instruments

### Currency exposures

A substantial proportion of the net assets of the Fund are denominated in currencies other than Sterling, with the effect that the Balance sheet and total return can be significantly affected by currency movements.

Currency	Net foreign currency assets/(liabilities)		
	Total £'000	Monetary exposures £'000	Non-monetary exposures £'000
<b>30.04.20</b>			
Canadian Dollar	(1,610)	(2,355)	745
Australian Dollar	(3,180)	(2,413)	(767)
Swiss Franc	(5,409)	(5,409)	-
Hong Kong Dollar	(8,139)	(8,139)	-
Japanese Yen	(10,682)	(10,143)	(539)
Euro	(25,962)	(20,734)	(5,228)
US Dollar	(156,360)	(139,288)	(17,072)

At the year end date, if the value of Sterling increased or decreased by 10% against all over currencies, with all other variables remaining constant, then the net assets attributable to the shareholders will increase or decrease by approximately £21,134,000.

### Interest rate risk

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

Currency	Total assets £'000	Floating rate financial assets £'000	Financial assets not carrying any interest
			£'000
<b>30.04.20</b>			
UK Sterling	996,512	61,209	935,303
Canadian Dollar	(1,610)	(278)	(1,332)
Australian Dollar	(3,180)	1,146	(4,326)
Swiss Franc	(5,409)	-	(5,409)
Hong Kong Dollar	(8,139)	-	(8,139)
Japanese Yen	(10,682)	583	(11,265)
Euro	(25,961)	6,591	(32,552)
US Dollar	(156,360)	20,588	(176,948)

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

Currency	Total liabilities £'000	Financial liabilities not carrying any interest
		£'000
<b>30.04.20</b>		
UK Sterling	1,361	1,361
Euro	1	1

At the period end, if all interest rates increased or decreased by 10%, with all other variables remaining constant, then the net assets attributable to the shareholders will increase or decrease by approximately £8,984,000.

### Market price risk

At the year end date, if the prices of investments held by the Fund increased or decreased by 10%, with all other variables remaining constant, then net assets attributable to the shareholders would increase or decrease by approximately £69,072,000.

For consideration of other risks including liquidity, pricing and credit risk, please refer to the accounting policies on pages 13 and 14.

# Notes to the financial statements – continued

## 15. Share classes

The Fund currently has two share classes; Class C Shares and Class X2 Shares. The Authorised Corporate Director's (ACD) fee and operating expenses charge are shown below.

	ACD Fee	Operating expenses (max.)
Class C Shares:	0.35%	0.15%
Class X2 Shares:	0.00%	0.04%

The X2 share class is designed to accommodate an alternative charging structure whereby the annual fee normally charged to the Fund and then passed on in the share price is instead administratively levied and collected by the ACD from the shareholder or through the relevant JPMorgan Chase & Co entity.

The net asset value of each share class, the net asset value per share and the number of shares in each class are shown on pages 52 and 53. All classes have the same rights on winding up.

## 16. Counterparty exposure

### Financial derivative exposure

Counterparty	Forwards currency contracts £'000	Futures contracts £'000	Total £'000
<b>30.04.20</b>			
Barclays	55	-	55
BNP Paribas	530	-	530
Citigroup	-	1,844	1,844
Goldman Sachs	2,043	-	2,043
Merrill Lynch	45	-	45
Standard Chartered	18	-	18
	<u>2,691</u>	<u>1,844</u>	<u>4,535</u>

At the balance sheet date no collateral was held or pledged by the company or on behalf of the counterparties in respect of the above.

The counterparty exposure on forward currency contracts is reported at their mark to market values but for futures contracts it is only the positive mark to market values that are reported.

# Notes to the financial statements – continued

## 17. Fair value hierarchy

The purpose of the fair value hierarchy is to prioritise the inputs that should be used to measure the fair value of assets and liabilities. The highest priority is given to quoted prices at which a transaction can be entered into and the lowest priority to unobservable inputs. Disclosure is required of the value in each category in order to give an insight into the extent to which fair value measurements are subjective.

The disclosure is split into the following categories:

**Level 1:** Unadjusted quoted price in an active market for an identical instrument;

**Level 2:** Valuation techniques using observable inputs other than quoted prices within level 1;

**Level 3:** Valuation techniques using unobservable inputs.

	2020 Assets £'000	2020 Liabilities £'000
Level 1: Quoted prices	1,844	(43,990)
Level 2: Observable market data	741,687	(235)
Total	<u>743,531</u>	<u>(44,225)</u>

## 18. Direct transaction costs

In the case of shares, broker commissions and transfer taxes, stamp duty are paid by the Fund on each transaction. In addition, there is a dealing spread between buying and selling prices of the underlying investments. Unlike shares, other types of investments (such as bonds, money market instruments, derivatives) have no separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and market sentiment.

Comparing portfolio transaction costs for a range of funds may give a false impression of the relative costs of investing in them for the following reasons:

- Transaction costs do not necessarily reduce returns. The net impact of dealing is the combination of the effectiveness of the manager's investment decisions in improving returns and the associated costs of the investment.
- Historic transaction costs are not an effective indicator of the future impact on performance.
- Transaction costs for buying and selling investments due to other investors joining or leaving the fund may be recovered from those investors.
- Transaction costs vary from country to country.
- Transaction costs vary depending on the types of investment in which a fund invests.
- As the manager's investment decisions are not predictable, transaction costs are also not predictable.

	Principal before costs £'000	Commission £'000	Taxes £'000	Total after costs £'000	Commission as % of Principal	Taxes as % of Principal
<b>30.04.20</b>						
<b>Purchases</b>						
Purchases of Funds	(900,237)	-	-	(900,237)	0.00	0.00
	<u>(900,237)</u>	<u>-</u>	<u>-</u>	<u>(900,237)</u>		
<b>Sales</b>						
Sales of Funds	114,877	-	-	114,877	0.00	0.00
	<u>114,877</u>	<u>-</u>	<u>-</u>	<u>114,877</u>		
Total	<u>-</u>	<u>-</u>	<u>-</u>			
Percentage of Fund average net assets		<u>0.00</u>	<u>0.00</u>			

### Dealing spread

As at the balance sheet date, the average portfolio dealing spread was 0.00%. This spread represents the difference between the values determined retrospectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

## 19. Shares in issue

	Opening position	Creations	Cancellations	Conversions	Closing position
C-Class Accumulation Shares	-	37,427,667	-	-	37,427,667
X2-Class Accumulation Shares	-	846,976,805	(21,078,492)	-	825,898,313

# Distribution table

## Final distribution in pence per share

Group 1 - Shares purchased on 20 September 2019

Group 2 - Shares purchased 20 September 2019 to 30 April 2020

	Net revenue	Equalisation	Distribution payable 31.07.20
<b>X2-Class Accumulation Shares</b>			
Group 1	0.170000	-	0.170000
Group 2	0.163725	0.006275	0.170000

## Final distribution in pence per share

Group 1 - Shares purchased on 24 October 2019

Group 2 - Shares purchased 24 October 2019 to 30 April 2020

	Net revenue	Equalisation	Distribution payable 31.07.20
<b>C-Class Accumulation shares</b>			
Group 1	0.070000	-	0.070000
Group 2	0.070000	0.000000	0.070000

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

## 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)