
JPMorgan Global Convertibles Income Fund Limited

Half Year Report & Accounts for the six months ended 31st December 2015



Features

The Company

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

Investment Objective

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

Investment Policy

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

Benchmark

The Company's benchmark is the MSCI World Index, (in Sterling terms) for reference purposes but will not be benchmark-driven in its asset allocation.

Capital Structure

At 31st December 2015, the Company's share capital comprised 219,630,000 ordinary shares of 1p each, including 646,518 shares held in Treasury.

Administrator

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

Website

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

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

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

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

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Half Year Performance

TOTAL RETURNS (INCLUDES DIVIDENDS REINVESTED)

-7.8%

Return to shareholders¹

-3.4%

Return on net assets²

2.25p

Dividend

Financial Data

	31st December 2015	30th June 2015	% change
Net assets (£'000)	209,244	222,311	-5.9
Ordinary shares in issue (excluding shares held in Treasury)	218,983,482	219,630,000	-0.3
Net asset value per share	95.6p	101.2p	-5.5
Share price	91.1p	101.3p	-10.1
Share price (discount)/premium to net asset value per share	(4.7)%	0.1%	
Gearing/(net cash)	0.1%	0.4%	
Ongoing charges	0.99%	0.91%	

A glossary of terms and definitions is provided on page 19.

¹ Source: Morningstar.

² Source: J.P. Morgan.

³ Represents the 2016 first interim dividend paid in December 2015 and the second interim dividend declared on 23rd February 2015 and payable in March 2016.

About the Company

CHAIRMAN'S STATEMENT



Dear Shareholders,

In the half year ended 31st December 2015 the total return on the Company's net assets dropped by 3.4%. The total return to shareholders was -7.8% due to the fact that the share price underperformed the net asset value ('NAV'). This was, of course, disappointing but perhaps is understandable given the challenges faced from a falling and volatile market.

Whilst performance of the Company's net assets was stronger than the broader convertibles market, the concurrence of declines in equity markets and the widening of credit spreads meant that the strategy did not exhibit as much of a defensive profile as we would have hoped for.

As you will see from the Investment Managers' Report, in the period leading up to the half year end, the deterioration in credit conditions prompted the Manager to increase the diversification within the portfolio. By raising the number of names and reducing the size of our most concentrated positions, the portfolio was repositioned. This avoided some of the sector and security specific problems seen in recent months, yet allowed it to capitalise on opportunities arising from the sell-off in high yielding bonds. The Board believes this to be a sensible compromise, since it enables us to retain exposure to valuations that appear cheap, relative to long term returns, and to credit spreads that arguably exaggerate the risk of recession (especially in the US). Performance since 31st December 2015 has been relatively strong compared to the broader markets, demonstrating the less volatile nature of the portfolio.

A more detailed analysis of performance is set out in the Investment Managers' Report on pages 5 to 6.

Dividends

The Company's objective is to provide investors with dividend income together with the potential for some modest capital growth in sterling terms. Your Investment Manager has considerable experience in managing convertible portfolios and adding value through the investment process. The Board has however recognised that the pursuit of a dividend at the current level is unduly constraining the Investment Manager's flexibility, given that medium term interest rates have declined since inception. As a consequence, the Board has encouraged the Investment Manager to focus instead on maximising the total return of the portfolio, but within overall similar risk parameters to the past. That said, your Board does not expect this to impact the dividend that you receive, even if, periodically, it requires capital to top up income.

During the half year ended 31st December 2015 one quarterly dividend totalling 1.125 pence per share was declared and paid. A second quarterly dividend of 1.125 pence per share was declared on 23rd February 2016 and will be paid on 31st March 2016.

The Board will continue to target an annual dividend of 4.5 pence per share for the foreseeable future.

CHAIRMAN'S STATEMENT *CONTINUED*

Managing the Discount

During the half year the Company's share price slipped from a modest premium to a discount relative to the NAV. The Company is authorised by the shareholders to buy-back up to 14.99% of the Company's issued share capital. This authority allows the Board to address any imbalance that may arise between the supply of and demand for shares, thereby helping it to control the discount to NAV.

The Board's approach to managing the discount is to buy-back shares if the discount to NAV exceeds 5% for any significant period of time. The Board has delegated the implementation of this to the Manager, in consultation with the Broker, but retains control of strategy and monitors the buy-back activity. In the half year the Company bought back 646,518 shares into Treasury. Since the period end, the Company has bought back a further 13,881,486 shares into Treasury.

Subject to any notable market movements, we expect to continue this approach. There can be no assurance that buy-backs alone will prevent a discount emerging or widening. The Company is of sufficient size that it can buy-back shares without compromising liquidity in its shares.

Borrowing

In July 2015 the Company entered into a two year \$32 million un-secured multicurrency revolving loan facility with Scotiabank Europe plc. This leverage has been used primarily to permit a shift towards higher quality and lower yielding names that offer the potential for good capital gains over the medium term. The Company may employ gearing up to a maximum of 20% of Net Asset Value at the time of borrowing. At the time of writing the Company was 2.8% geared.

Outlook

Concerns regarding China and global economic growth currently dominate the outlook for 2016. The heavy sell-off of high yielding bonds in December 2015 has continued into 2016 and has provoked liquidity concerns, which have since moved from credit markets into equity markets. After the long-delayed 'lift-off' in interest rates, further US rate increases now look less likely. Recent performance has been encouraging against this backdrop.

The Manager believes that whilst the market conditions remain difficult, they are starting to see opportunities emerge that will help the portfolio achieve long term income and capital gains. The repositioning of the portfolio has reduced concentration risk and allowed it to take advantage of the sell-off in high yielding bonds.

The Board continues to believe that the portfolio should, over the medium term, deliver an attractive, sustainable yield whilst offering the potential to participate in rising equity markets.

Simon Miller

Chairman

17th March 2016

INVESTMENT MANAGERS' REPORT



Performance Review

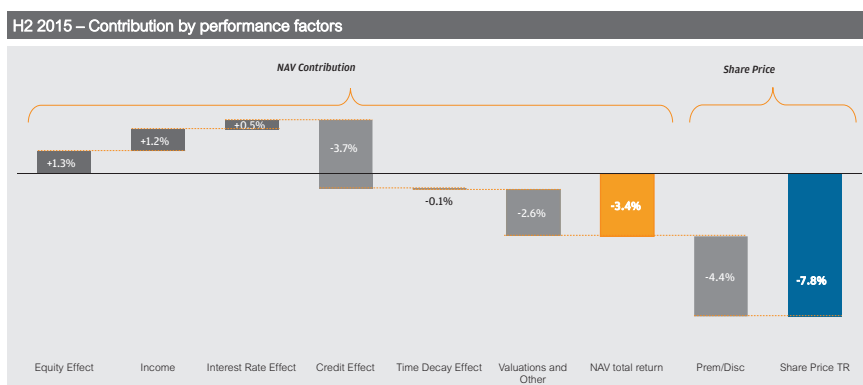
In the six months to 31st December 2015, the Company generated a share price return of -7.8% and a net asset value (NAV) total return of -3.4%. This period of difficult performance indicates the challenge in combining income generation with defensive positioning in the face of a number of significant market events over the review period. Firstly the recovery in energy prices reversed, followed by concerns regarding China and the impact of a Chinese slowdown on global growth. Financial conditions tightened into year end, dragging on the performance of companies with levered balance sheets, and this was then exacerbated by a significant widening in high yield credit spreads in December as a number of publicised hedge fund closures raised liquidity concerns. It is telling that amidst all this volatility, the arrival of 'lift-off' by the Federal Reserve ranks so low on the list of shocks to have hit markets over the review period.

The portfolio's equity sensitivity, income generation, and positive duration contributed to returns over the period, but these supportive factors were more than offset by weakness in credit factors. The currency hedging of the account detracted value over the period as Sterling generally weakened against other major currencies. However, full-currency hedging does tend to reduce the volatility of convertible portfolios, which are inherently less volatile than equity portfolios.

The portfolio's exposure to companies in the energy sector represented the largest detractor over the period following renewed commodity price weakness, even though we had used the recovery in early 2015 to reduce the portfolio's exposure to just 5.6% going into the second half of the year. More encouragingly, the portfolios increased diversification into technology and non-cyclical consumer sectors added value as these were among the only sectors to post a positive return over the period.

NAV and Share price performance: Estimated contribution

Source: J.P. Morgan Asset Management. These estimated portfolio and sub-category returns have been calculated using an internal J.P. Morgan Asset Management analytical model, and should be considered as indicative only. 'Performance' figures represent total return calculations in local currency; 'Contribution' is the estimated total contribution to portfolio returns. Pricing sources used to calculate returns are a composite of counterparty-provided pricing inputs. Equity effect = impact of underlying equity performance; Credit effect = impact of changes to input credit spreads; Interest rate effect = impact of changes in risk-free rate; Currency effect = impact of changes in FX rates on cross-currency convertibles; Time decay effect = combination of option cost and accrual to maturity; Income effect = coupon income; Valuations and Other = Residual, including changes in discount to theoretical value and fees. Prem/Disc effect = When the market price of the Trust's shares is worth less than the NAV per share, then the Trust is said to be trading at a discount. When the market price of the Trust's shares is worth more than the NAV per share, then the Trust is said to be trading at a premium.



Portfolio Review

We believe the challenging market conditions referred to above have started to create attractive opportunities for the portfolio, but we held a cautious view throughout the review period. In particular, we sought to reconcile attractive valuations at the aggregate level with a sense that credit conditions were tightening at an issuer-specific level.

The primary way in which this review was reflected within the portfolio was an increase in the number of holdings, from 78 at the start of the review period to 104 by the end of the year. This enabled us to remain fully invested, supporting the yield and maintaining

INVESTMENT MANAGERS' REPORT *CONTINUED*

exposure to the valuation component, while simultaneously reducing the risk of negative company-specific events. The primary source of these additional names was securities that had previously occupied the 'balanced' space of the convertible market, but which had picked up yield following market weakness. This enabled us to continue the sector rotation we had started in the beginning of the year, reducing energy still-further to a 4.1% allocation by the end of the year and increasing the exposure to non-cyclical consumer names from 6.5% (31st June 2015) to 10.5% (31st December 2015) and the technology (including internet) exposure from 13.1% to 18.9%. In addition to reducing our energy exposure, we also reduced allocations to basic materials (4.8% to 3.6%) and more significantly non-real estate financials (15.8% to 8.4%). The rationale for this reduction in exposure to non-real estate financials was to limit exposure to companies that we considered to have most exposure to the credit cycle, such as Business Development Companies in the United States.

Outlook

The fact that detrimental credit conditions more than offset the positive impact of a decline in effective interest rates (despite 'lift-off') is indicative of the fact that convertibles tend to move more in line with high-yield credit than with investment grade fixed income. Consequently, a scenario in which the US economy improves to the extent that the Federal Reserve feels able to resume rate hikes is likely to represent a more positive outcome for convertibles than an environment in which growth stagnates and duration assets continue to perform. Nevertheless, economic data has softened and we are looking to position the portfolio to perform in an environment where conditions remain somewhat challenging.

We believe that the market weakness going into 2016 has opened up some opportunities within the portfolio, particularly to the extent that we think a large proportion of high yield weakness has been driven by technical factors rather than a significant deterioration in fundamentals. This has given us comfort in initiating positions in higher yielding securities, although we have done so cautiously.

We believe that the long-term benefits of an income-focused approach to the convertible market express themselves in two principal ways.

Firstly, the diversification of return drivers across fixed income and equity factors, supported by stable income generation, helps to provide a low volatility return profile without over-reliance on any one factor. This has arguably been seen over recent months, where the NAV performance of the trust, while disappointing on an absolute basis, has held up against high yield comparators (the Barclays Global Corporate High Yield index was down by 5.6% over the review period, hedged into GBP).

Secondly, a yield-focused convertible strategy has traditionally performed well following periods of market dislocation, such as that which characterised the period in which the Company was incorporated. While we remain more cautiously positioned than we were at the time of inception, we do believe that the emergence of significant dislocations into 2016 could provide a fruitful hunting ground over the next 12 months.

Antony Vallee
Natalia Bucci
Robin Dunmall
Investment Managers

17th March 2016

Investment Review

PORTFOLIO ANALYSES

Sector

	31st December 2015 Portfolio %	30th June 2015 Portfolio %
Real Estate	22.9	23.6
Software & Services	11.0	8.3
Capital Goods	7.0	7.3
Technology Hardware & Equipment	5.9	3.2
Consumer Services	5.0	5.0
Diversified Financials	4.6	13.2
Semiconductors & Semiconductor Equipment	4.6	1.4
Telecommunication Services	4.1	4.4
Energy	3.7	4.5
Banks	3.5	3.0
Pharmaceuticals & Biotechnology	3.4	2.7
Materials	3.4	6.4
Automobiles & Components	2.3	3.5
Utilities	2.2	5.0
Transportation	2.1	1.8
Consumer Durables & Apparel	1.7	–
Retailing	1.6	4.4
Household & Personal Products	1.4	–
Health Care Equipment & Services	1.3	0.9
Food Beverage & Tobacco	1.0	1.4
Food & Staples Retailing	1.0	–
Commercial & Professional Services	0.7	–
Media	0.5	–
Liquidity Fund	5.1	–
Total	100.0	100.0

¹ Based on total portfolio of £228.3m (30th June 2015: £215.5m).

Geographic

	United Kingdom %	Americas %	Europe %	Asia %	Australia %	31st December 2015 Total % ¹	30th June 2015 Total % ¹
Convertibles	7.2	33.4	15.4	19.5	1.0	76.5	82.2
Preference	–	8.3	–	1.2	–	9.5	7.5
Fixed Interest	0.2	6.6	2.1	–	–	8.9	10.3
Liquidity Fund	–	–	5.1	–	–	5.1	–
Total	7.4	48.3	22.6	20.7	1.0	100.0	100.0

¹ Based on total portfolio of £228.3m (30 June 2015: £215.5m).

PORTFOLIO DISCLOSURE

AT 31ST DECEMBER 2015¹

No.	Investment	Holding as a percentage of portfolio	Region	Country	Currency	Sector	Rating
1.	Pierre & Vacances SA	2.3%	Europe	France	EUR	Consumer Services	NR
2.	Twitter Inc	1.9%	Americas	United States	USD	Software & Services	BB-
3.	Vereit Inc	1.9%	Americas	United States	USD	Real Estate	BB
4.	Liberty Interactive Llc	1.9%	Asia	Singapore	SGD	Real Estate	NR
5.	China Overseas Finance Investment Cayman V Ltd	1.8%	Asia	Hong Kong	USD	Real Estate	NR
6.	Starwood Property Trust Inc	1.7%	Americas	United States	USD	Real Estate	BB-
7.	Bank of America Corp	1.6%	Americas	United States	USD	Banks	BB
8.	Subsea 7 SA	1.6%	Europe	Luxembourg	USD	Energy	NR
9.	Tesla Motors Inc	1.6%	Americas	United States	USD	Automobiles & Components	B-
10.	Wells Fargo & Co	1.5%	Americas	United States	USD	Banks	BBB
11.	Shine Power International Ltd	1.5%	Asia	Hong Kong	HKD	Capital Goods	NR
12.	TCP Capital Corp	1.5%	Americas	United States	USD	Diversified Financials	BBB-
13.	Redwood Trust Inc	1.5%	Americas	United States	USD	Real Estate	NR
14.	Alcatel-Lucent USA Inc	1.4%	Americas	United States	USD	Technology Hardware & Equipment	B
15.	Hengan International Group Co Ltd	1.4%	Asia	China	HKD	Household & Personal Products	NR
16.	Ares Capital Corp	1.4%	Americas	United States	USD	Diversified Financials	BBB
17.	Kingsoft Corp Ltd	1.4%	Asia	China	HKD	Software & Services	NR
18.	Empire State Realty Op LP	1.4%	Americas	United States	USD	Real Estate	NR
19.	St Modwen Properties Securities Jersey Ltd	1.4%	Europe	United Kingdom	GBP	Real Estate	NR
20.	Market Tech Holdings Ltd	1.3%	Europe	United Kingdom	GBP	Real Estate	NR
21.	Qihoo 360 Technology Co Ltd	1.3%	Asia	China	USD	Software & Services	NR
22.	Soufun Holdings Ltd	1.3%	Asia	China	USD	Software & Services	NR
23.	Balfour Beatty Finance No.2 Ltd	1.2%	Europe	United Kingdom	GBP	Capital Goods	NR
24.	Pharmaceutical Industries Ltd	1.2%	Asia	Israel	USD	Pharmaceuticals, Biotechnology	NR
25.	Aroundtown Property Holdings Plc	1.2%	Europe	Cyprus	EUR	Real Estate	BBB-
26.	Extra Space Storage	1.1%	Americas	United States	USD	Real Estate	NR
27.	Premier Oil Finance Jersey Ltd	1.1%	Europe	United Kingdom	USD	Energy	NR
28.	Spirit Realty Capital Inc	1.1%	Americas	United States	USD	Real Estate	BB+
29.	Air France-KLM	1.1%	Europe	France	EUR	Transportation	NR
30.	Tong Jie Ltd	1.1%	Asia	China	HKD	Capital Goods	NR
31.	Viavi Solutions Inc	1.0%	Americas	United States	USD	Technology Hardware & Equipment	NR
32.	OSIM International Ltd	1.0%	Asia	Singapore	SGD	Retailing	NR
33.	MGM Resorts International	1.0%	Americas	United States	USD	Consumer Services	B-
34.	Allergan Plc	1.0%	Americas	United States	USD	Pharmaceuticals, Biotechnology	NR
35.	Liberty Interactive Llc	1.0%	Americas	United States	USD	Telecommunication Services	B
36.	Brocade Communication Systems Inc	1.0%	Americas	United States	USD	Technology Hardware & Equipment	BB+
37.	Rocket Internet	1.0%	Europe	Germany	EUR	Software & Services	NR
38.	Cromwell Spv Finance Pty Ltd	1.0%	Australia	Australia	EUR	Real Estate	NR
39.	Sacyr Sa	1.0%	Europe	Spain	EUR	Capital Goods	NR
40.	America Movil Bv	1.0%	Europe	Netherlands	EUR	Telecommunication Services	A-
41.	Olam International Ltd	1.0%	Asia	Singapore	USD	Food & Staples Retailing	NR
42.	Kinder Morgan Inc	1.0%	Americas	United States	USD	Energy	BBB-
43.	Helical Bar Jersey Ltd	0.9%	Europe	United Kingdom	GBP	Real Estate	NR
44.	Cemex Sab De Cv	0.9%	Americas	Mexico	USD	Materials	NR
45.	American Tower Corp	0.9%	Americas	United States	USD	Real Estate	BBB-
46.	Finisar Corp	0.9%	Americas	United States	USD	Technology Hardware & Equipment	NR
47.	NH Hotel Group Sa	0.9%	Europe	Spain	EUR	Consumer Services	B

No.	Investment	Holding as a percentage of portfolio	Region	Country	Currency	Sector	Rating
48.	Valeant Pharmaceuticals International Inc	0.9%	Americas	Canada	USD	Pharmaceuticals, Biotechnology	B-
49.	Liberty Interactive Llc	0.9%	Americas	United States	USD	Telecommunication Services	B
50.	Tpk Holding Co. Ltd	0.9%	Asia	Taiwan	USD	Technology Hardware & Equipment	NR
51.	Sina Corp	0.9%	Asia	China	USD	Software & Services	NR
52.	Meritor Inc	0.9%	Americas	United States	USD	Capital Goods	B
53.	Epistar Corp	0.9%	Asia	Taiwan	USD	Semiconductors & Semiconductor Equipment	NR
54.	Electricite De France Sa	0.8%	Europe	France	GBP	Utilities	BBB
55.	Cahaya Capital Ltd	0.8%	Asia	Malaysia	USD	Utilities	NR
56.	Primecity Investment Plc	0.8%	Europe	Germany	EUR	Real Estate	NR
57.	Newford Capital Ltd	0.8%	Asia	Hong Kong	USD	Consumer Services	NR
58.	On Semiconductor Corp	0.8%	Americas	United States	USD	Semiconductors & Semiconductor Equipment	BB+
59.	Royal Gold Inc	0.8%	Americas	United States	USD	Materials	NR
60.	Brenntag Finance Bv	0.8%	Europe	Germany	USD	Capital Goods	BBB-
61.	Nuance Communications Inc	0.8%	Americas	United States	USD	Software & Services	BB-
62.	Yandex Nv	0.8%	Europe	Russia	USD	Software & Services	NR
63.	Salzgitter Finance Bv	0.7%	Europe	Germany	EUR	Materials	NR
64.	Tpg Specialty Lending Inc	0.7%	Americas	United States	USD	Diversified Financials	BBB-
65.	Iconix Brand Group Inc	0.7%	Americas	United States	USD	Consumer Durables & Apparel	NR
66.	Colony Capital Inc	0.7%	Americas	United States	USD	Real Estate	NR
67.	Neopost Sa	0.7%	Europe	France	EUR	Technology Hardware & Equipment	NR
68.	Anthem, Inc	0.7%	Americas	United States	USD	Health Care Equipment & Services	BBB-
69.	Fiat Chrysler Automobiles Nv	0.7%	Europe	United Kingdom	USD	Automobiles & Components	B-
70.	Stericycle Inc	0.7%	Americas	United States	USD	Commercial & Professional Services	NR
71.	Frontier Communications Corp	0.6%	Americas	United States	USD	Telecommunication Services	NR
72.	Tyson Foods, Inc	0.6%	Americas	United States	USD	Food Beverage & Tobacco	BBB-
73.	Telefonica Sa	0.6%	Europe	Italy	EUR	Telecommunication Services	BBB
74.	Fireeye Inc	0.6%	Americas	United States	USD	Software & Services	NR
75.	Micron Technology Inc	0.6%	Americas	United States	USD	Semiconductors & Semiconductor Equipment	BB
76.	Sunpower Corp	0.6%	Americas	United States	USD	Semiconductors & Semiconductor Equipment	NR
77.	Wright Medical Group Inc	0.6%	Americas	United States	USD	Health Care Equipment & Services	NR
78.	Nyrstar Nv	0.6%	Europe	Belgium	EUR	Materials	B-
79.	Priceline Group Inc	0.6%	Americas	United States	USD	Retailing	BBB+
80.	Exelon Corp	0.6%	Americas	United States	USD	Utilities	BBB-
81.	Jefferies Group Llc	0.6%	Americas	United States	USD	Diversified Financials	BBB-
82.	Asm Pacific Technology Ltd	0.5%	Asia	Hong Kong	HKD	Semiconductors & Semiconductor Equipment	BB+
83.	Microchip Technology Inc	0.5%	Americas	United States	USD	Semiconductors & Semiconductor Equipment	BB-
84.	Crown Castle International Corp	0.5%	Americas	United States	USD	Real Estate	NR
85.	China Overseas Finance Investment Cayman Iv Ltd	0.5%	Asia	China	USD	Real Estate	NR
86.	Sas Ab	0.5%	Europe	Sweden	SEK	Transportation	B-
87.	Stanley Black & Decker Inc	0.5%	Americas	United States	USD	Capital Goods	BBB
88.	Fireeye Inc	0.5%	Americas	United States	USD	Software & Services	NR
89.	Php Finance Jersey Ltd	0.5%	Europe	United Kingdom	GBP	Real Estate	NR

PORTFOLIO DISCLOSURE *CONTINUED*

AT 31ST DECEMBER 2015¹

No.	Investment	Holding as a percentage of portfolio	Region	Country	Currency	Sector	Rating
90.	Mitsui Osk Lines Ltd	0.5%	Asia	Japan	USD	Transportation	BB+
91.	Ias Operating Partnership Lp	0.5%	Americas	United States	USD	Real Estate	NR
92.	Yahoo Inc	0.5%	Americas	United States	USD	Software & Services	BB+
93.	Blackrock Capital Investment Corp	0.5%	Americas	United States	USD	Diversified Financials	BBB-
94.	Centerpoint Energy Inc	0.5%	Americas	United States	USD	Media	BBB
95.	Kb Home	0.5%	Americas	United States	USD	Consumer Durables & Apparel	B
96.	Jarden Corp	0.5%	Americas	United States	USD	Consumer Durables & Apparel	B+
97.	Aabar Investments Pjsc	0.4%	Europe	Italy	EUR	Banks	NR
98.	Vector Group Ltd	0.4%	Americas	United States	USD	Food Beverage & Tobacco	B
99.	Intel Corp	0.4%	Americas	United States	USD	Semiconductors & Semiconductor Equipment	A-
100.	Arcelormittal	0.4%	Europe	Luxembourg	USD	Materials	BB
101.	Soitec	0.3%	Europe	France	EUR	Semiconductors & Semiconductor Equipment	NR
102.	Impax Laboratories Inc	0.3%	Americas	United States	USD	Pharmaceuticals, Biotechnology	BB
103.	Unite Group Plc	0.2%	Europe	United Kingdom	GBP	Real Estate	NR
104.	JPMorgan Sterling Liquidity Fund	5.1%	Europe	United Kingdom	GBP	Liquidity Fund	AAA
		100.0%					

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

Financial Statements

STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 31ST DECEMBER 2015

	(Unaudited) Six months ended 31st December 2015			(Unaudited) Six months ended 31st December 2014 ¹			(Audited) Year ended 30th June 2015		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Investments held at fair value through profit and loss:									
Gains/(losses) on investments held at fair value through profit or loss	–	857	857	–	(5,097)	(5,097)	–	(6,127)	(6,127)
Income from investments	5,327	–	5,327	5,225	–	5,225	9,941	–	9,941
Gains/(losses) on financial instruments:									
Realised losses on close out of futures and options contracts	–	(1,389)	(1,389)	–	(717)	(717)	–	(1,276)	(1,276)
Unrealised (losses)/gains on futures and options contracts	–	(258)	(258)	–	–	–	–	302	302
Realised foreign currency losses on foreign currency contracts	–	(6,003)	(6,003)	–	(8,705)	(8,705)	–	(8,094)	(8,094)
Unrealised foreign currency (losses)/gains on foreign currency contracts	–	(4,207)	(4,207)	–	27	27	–	5,928	5,928
Realised foreign currency gains/(losses)	–	28	28	–	(272)	(272)	–	(300)	(300)
Unrealised foreign currency losses	–	(544)	(544)	–	–	–	–	–	–
Other income	–	–	–	4	–	4	9	–	9
Total income/(loss)	5,327	(11,516)	(6,189)	5,229	(14,764)	(9,535)	9,950	(9,567)	383
Management fee	(529)	(285)	(814)	(477)	(257)	(734)	(1,019)	(549)	(1,568)
Other administrative expenses	(258)	–	(258)	(92)	–	(92)	(349)	–	(349)
Profit/(loss) before finance costs and taxation	4,540	(11,801)	(7,261)	4,660	(15,021)	(10,361)	8,582	(10,116)	(1,534)
Finance costs	(66)	(36)	(102)	(2)	(1)	(3)	(5)	(3)	(8)
Profit/(loss) before taxation	4,474	(11,837)	(7,363)	4,658	(15,022)	(10,364)	8,577	(10,119)	(1,542)
Taxation	(171)	–	(171)	(146)	–	(146)	(277)	–	(277)
Net profit/(loss)	4,303	(11,837)	(7,534)	4,512	(15,022)	(10,510)	8,300	(10,119)	(1,819)
Earnings/(loss) per share (note 4)	1.96p	(5.40)p	(3.44)p	2.37p	(7.90)p	(5.53)p	4.06p	(4.94)p	(0.88)p

¹ The 2014 figures have been amended due to a change in allocation.

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

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

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

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

STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 31ST DECEMBER 2015

	Share capital £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Six months ended 31st December 2015 (Unaudited)				
At 30th June 2015	220,020	1,480	811	222,311
Repurchase of shares into Treasury	–	(605)	–	(605)
Net (loss)/profit for the period	–	(11,837)	4,303	(7,534)
Dividends paid in the period	–	–	(4,928)	(4,928)
At 31st December 2015	220,020	(10,962)	186	209,244
Six months ended 31st December 2014 (Unaudited)				
At 30th June 2014	158,438	11,599	3,223	173,260
Issue of ordinary shares	59,317	–	–	59,317
Share issue expenses	(259)	–	–	(259)
Transfer of share premium on share issuance to revenue	(1,294)	–	1,294	–
Net (loss)/profit for the period	–	(15,022)	4,512	(10,510)
Dividends paid in the period	–	–	(7,088)	(7,088)
At 31st December 2014	216,202	(3,423)	1,941	214,720
Year ended 30th June 2014 (Audited)				
At 30th June 2014	158,438	11,599	3,223	173,260
Issue of ordinary shares	63,209	–	–	63,209
Share issue expenses	(315)	–	–	(315)
Transfer of share premium on share issuance to revenue	(1,312)	–	1,312	–
Net (loss)/profit for the year	–	(10,119)	8,300	(1,819)
Dividends paid in the year	–	–	(12,024)	(12,024)
At 30th June 2015	220,020	1,480	811	222,311

STATEMENT OF FINANCIAL POSITION

AT 31ST DECEMBER 2015

	(Unaudited) 31st December 2015 £'000	(Unaudited) 31st December 2014 £'000	(Audited) 30th June 2015 £'000
Non current assets			
Investments held at fair value through profit or loss	216,722	191,627	215,487
Investments in liquidity fund held at fair value through profit or loss	11,612	20,334	–
	228,334	211,961	215,487
Current assets			
Derivative financial assets	346	1,102	6,534
Trade and other receivables	1,105	2,184	1,630
Cash and cash equivalents	1,781	683	1,147
	3,232	3,969	9,311
Current liabilities			
Derivative financial liabilities	(4,592)	(1,075)	(304)
Trade and other payables	(4,161)	(135)	(68)
Bank overdraft	–	–	(2,115)
Net current (liabilities)/assets	(5,521)	2,759	6,824
Total assets less current liabilities	222,813	214,720	222,311
Creditors: amounts falling due after more than one year	(13,569)	–	–
Net assets	209,244	214,720	222,311
Amounts attributable to equity holders			
Share capital	220,020	216,202	220,020
Capital reserve	(10,962)	(3,423)	1,480
Revenue reserve	186	1,941	811
Total equity shareholders' funds	209,244	214,720	222,311
Net asset value per share (note 5)	95.6p	99.5p	101.2p

STATEMENT OF CASH FLOWS
 FOR THE SIX MONTHS ENDED 31ST DECEMBER 2015

	(Unaudited) Six months ended 31st December 2015 £'000	(Unaudited) Six months ended 31st December 2014 £'000	(Audited) Year ended 30th June 2015 £'000
Operating activities			
Loss before taxation	(7,363)	(10,364)	(1,542)
Deduct dividends received	(612)	(534)	(966)
Deduct investment income – interest	(4,715)	(4,691)	(8,975)
Deduct bank interest received	–	(4)	(9)
Add back interest paid	102	3	8
Add back (gains)/losses on investments held at fair value through profit or loss	(857)	5,099	6,127
Decrease/(increase) in unrealised gains on foreign currency contracts	10,135	696	(5,205)
Decrease/(increase) in unrealised gains on future and option contracts	341	(2)	(304)
Increase in unrealised losses on foreign currency	544	–	–
Effect of decrease/(increase) in trade and other receivables	2	(2)	(1)
Effect of increase/(decrease) in trade and other payables	22	(153)	(127)
Net cash outflow from operating activities before interest, taxation and dividends	(2,405)	(9,952)	(10,994)
Taxation	(171)	(146)	(277)
Interest paid	(102)	(3)	(8)
Dividends received	624	514	1,002
Investment income – interest	3,919	3,788	7,728
Bank interest received	–	4	9
Net cash inflow/(outflow) from operating activities after interest, taxation and dividends	1,865	(5,795)	(2,540)
Investing Activities			
Purchases of investments held at fair value through profit or loss	(199,348)	(163,975)	(318,719)
Sales of investments held at fair value through profit or loss	192,739	118,175	268,951
Net cash outflow from investing activities	(6,609)	(45,800)	(49,768)
Financing activities			
Proceeds from the issue of ordinary shares	–	59,062	63,209
Share issue expenses	–	(166)	(315)
Repurchase of shares into Treasury	(605)	–	–
Dividends paid	(4,928)	(7,088)	(12,024)
Drawdown of loan	13,026	–	–
Net cash inflow from financing activities	7,493	51,808	50,870
Increase/(decrease) in cash and cash equivalents	2,749	213	(1,438)
Cash and cash equivalents at the start of the period/year	(968)	470	470
Cash and cash equivalents at the end of the period/year	1,781	683	(968)

NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31ST DECEMBER 2015

1. Financial statements

The information contained within the financial statements in this half year report has not been audited or reviewed by the Company's auditors.

2. Accounting policies

The Company's financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS'), which comprise standards and interpretations approved by the International Accounting Standards Board to the extent that they have been adopted by the European Union. The same accounting policies and methods of compensation are followed in these financial statements as compared with the most recent annual financial statements.

Where presentational evidence set out in the Statement of Recommended Practice (the 'SORP') issued by the Association of Investment Companies in November 2014 is consistent with the requirement of IFRS, the financial statements have been prepared on a basis compliant with the recommendation of SORP.

The Board has agreed to allocate management fees and finance costs of 35% to capital and 65% to revenue, reflecting the investment objective of the Company.

The cost of repurchasing ordinary shares into Treasury, including the related transaction costs, is charged to capital reserves and dealt with in the Statement of Changes in Equity.

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

The financial statements have been prepared on a going concern basis.

3. Dividend paid

	(Unaudited) Six months ended 31st December 2015 £'000	(Unaudited) Six months ended 31st December 2014 £'000	(Audited) Year ended 30th June 2015 £'000
2015 fourth interim dividend 1.125p (2014: second interim dividend of 2.25p)	2,464	4,686	4,686
2016 first interim dividend of 1.125p (2015: 1.125p)	2,464	2,402	2,402
2015 second interim dividend of 1.125p	–	–	2,465
2015 third interim dividend of 1.125p	–	–	2,471
Total dividends paid in the period/year	4,928	7,088	12,024

A second interim dividend of 1.125p per share, has been declared payable in respect of the six months ended 31st December 2015.

NOTES TO THE FINANCIAL STATEMENTS *CONTINUED*

4. Earnings/(loss) per share

	(Unaudited) Six months ended 31st December 2015 £'000	(Unaudited) Six months ended 31st December 2014 £'000	(Audited) Year ended 30th June 2015 £'000
Earnings/(loss) per share is based on the following:			
Revenue return	4,303	4,512	8,300
Capital loss	(11,837)	(15,022)	(10,119)
Total loss	(7,534)	(10,510)	(1,819)
Weighted average number of shares in issue during the period			
	219,277,482	190,106,594	204,652,876
Revenue return per share	1.96p	2.37p	4.06p
Capital loss per share	(5.40)p	(7.90)p	(4.94)p
Total loss per share	(3.44)p	(5.53)p	(0.88)p

5. Net asset value per share

	(Unaudited) 31st December 2015 £'000	(Unaudited) 31st December 2014 £'000	(Audited) 30th June 2015 £'000
Shareholders' funds (£'000)	209,244	214,720	222,311
Number of shares in issue	218,983,482	215,830,000	219,630,000
Net asset value per share (pence)	95.6	99.5	101.2

6. Disclosures regarding financial instruments measured at fair value

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

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

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

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

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

Categorisation within the hierarchy has been determined on the basis of the lowest level input that is significant to the fair value measurement of the relevant asset.

The recognition and measurement policies for financial instruments measured at fair value are consistent with those disclosed in the last annual financial statements.

The following tables set out the fair value measurements using the IFRS 13 hierarchy at the relevant period/year end:

	31st December 2015			Total £'000
	Level 1 £'000	Level 2 £'000	Level 3 £'000	
Financial assets held at fair value through profit or loss				
Investments:				
- Convertibles	165,663	8,696	–	174,359
- Preference	21,909	–	–	21,909
- Fixed Interest	20,454	–	–	20,454
- Liquidity Fund	11,612	–	–	11,612
Total investments	219,638	8,696	–	228,334
Derivative financial assets:				
- Forward foreign currency contracts	–	282	–	282
- Option contracts	–	64	–	64
Total financial assets	219,638	9,042	–	228,680
Financial liabilities held at fair value through profit or loss				
Derivative financial liabilities:				
- Forward foreign currency contracts	–	(4,489)	–	(4,489)
- Future contracts	–	(103)	–	(103)
Total financial liabilities	–	(4,592)	–	(4,592)
	30th June 2015			Total £'000
	Level 1 £'000	Level 2 £'000	Level 3 £'000	
Financial assets held at fair value through profit or loss				
Investments:				
- Fixed Interest	22,306	–	–	22,306
- Convertibles	174,365	2,724	–	177,089
- Preference	16,092	–	–	16,092
Total investments	212,763	2,724	–	215,487
Derivative financial assets:				
- Forward foreign currency contracts	–	6,232	–	6,232
- Future contracts	–	302	–	302
Total financial assets	212,763	9,258	–	222,021
Financial liabilities held at fair value through profit or loss				
Derivative financial liabilities:				
- Forward foreign currency contracts	–	(304)	–	(304)

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

Fair values of financial assets and financial liabilities

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

Shareholder Information

INTERIM MANAGEMENT REPORT

The Company is required to make the following disclosures in its interim report.

Principal Risks and Uncertainties

The principal risks and uncertainties faced by the Company fall into the following broad categories: investment and strategy; foreign currency; accounting; corporate governance and shareholder relations; operational and financial. Information on each of these areas is given in the Business Review within the 2015 Annual Report and Accounts.

Related Party Transactions

During the half year to 31st December 2015, no new agreements were entered into with related parties which have materially affected the financial position or the performance of the Company.

Going Concern

The Directors believe, having considered the Company's investment objectives, risk management policies, capital management policies and procedures, nature of the portfolio and expenditure projections, that the Company has adequate resources, an appropriate financial structure and suitable management arrangements in place to continue in operational existence for the foreseeable future and, more specifically, that there are no material uncertainties pertaining to the Company that would prevent its ability to continue in such operation existence for at least 12 months from the date of the approval of this half yearly financial report. For these reasons, they consider there is reasonable evidence to adopt the going concern basis in preparing the accounts.

Directors' Responsibilities

The Board of Directors confirms that, to the best of its knowledge:

- (i) the condensed set of financial statements contained within the interim financial report has been prepared in accordance with International Accounting Standard 34 'Interim Financial Reporting' and gives a true and fair view of the state of affairs of the Company and of the assets, liabilities, financial position and net return of the Company, as at 31st December 2015, as required by the UK Listing Authority Disclosure and Transparency Rules 4.2.4R; and
- (ii) the interim report includes a fair review of the information required by 4.2.7R (important events that have occurred since inception, their impact on these financial statements and a description of the principal risks facing the Company) and 4.2.8R (related party transactions since inception that have materially affected the financial position or performance of the Company) of the UK Listing Authority Disclosure and Transparency Rules.

In order to provide these confirmations, and in preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business;

and the Directors confirm that they have done so.

For and on behalf of the Board

Philip Taylor
Director

17th March 2016

GLOSSARY OF TERMS AND DEFINITIONS

Return to Ordinary Shareholders

Share price total return to the Ordinary shareholder, on a mid-market price to mid-market price basis, assuming that all dividends received were reinvested, without transaction costs, into the Ordinary shares of the Company at the time the shares were quoted ex-dividend.

Return on Net Assets

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

Share Price Premium to Net Asset Value ('NAV') Per Share

If the share price of an investment trust is lower than the NAV per share, the shares are said to be trading at a discount. The discount is shown as a percentage of the NAV per share. The opposite of a discount is a premium. It is more common for an investment trust's shares to trade at a discount than at premium.

Gearing/Net Cash

Gearing represents the excess amount above shareholders' funds of total assets expressed as a percentage of the shareholders' funds. Total assets include total investments and net current assets/liabilities less cash/cash equivalents and excluding bank loans of less than one year. If the amount calculated is negative, this is shown as a 'net cash' position.

Ongoing Charges

The Ongoing Charges represent the Company's management fee and all other operating expenses excluding finance costs, expressed as a percentage of the average of the daily net assets during the year and is calculated in accordance with guidance issued by the Association of Investment Companies.

Gearing/Net Cash

Gearing represents the excess amount above shareholders' funds of total assets (including net current assets/(liabilities)) less cash/cash equivalents, expressed as a percentage of shareholders' funds. If the amount calculated is negative, this is shown as a 'net cash' position.

Earnings per Share

The earnings per Ordinary share represents the return on ordinary activities after taxation divided by the weighted average number of Ordinary shares in issue during the year.

Bond-like

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

Balanced

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

Shareholder Information

Financial Conduct Authority

Beware of share fraud

Fraudsters use persuasive and high-pressure tactics to lure investors into scams. They may offer to sell shares that turn out to be worthless or non-existent, or to buy shares at an inflated price in return for an upfront payment. While high profits are promised, if you buy or sell shares in this way you will probably lose your money.

How to avoid share fraud

- 1 Keep in mind that firms authorised by the FCA are unlikely to contact you out of the blue with an offer to buy or sell shares.
- 2 Do not get into a conversation, note the name of the person and firm contacting you and then end the call.
- 3 Check the Financial Services Register from www.fca.org.uk to see if the person and firm contacting you is authorised by the FCA.
- 4 Beware of fraudsters claiming to be from an authorised firm, copying its website or giving you false contact details.
- 5 Use the firm's contact details listed on the Register if you want to call it back.
- 6 Call the FCA on **0800 111 6768** if the firm does not have contact details on the Register or you are told they are out of date.
- 7 Search the list of unauthorised firms to avoid at www.fca.org.uk/scams.
- 8 Consider that if you buy or sell shares from an unauthorised firm you will not have access to the Financial Ombudsman Service or Financial Services Compensation Scheme.
- 9 Think about getting independent financial and professional advice before you hand over any money.
- 10 **Remember:** if it sounds too good to be true, it probably is!

Report a scam

If you are approached by fraudsters please tell the FCA using the share fraud reporting form at www.fca.org.uk/scams, where you can find out more about investment scams.

You can also call the FCA Consumer Helpline on **0800 111 6768**.

If you have already paid money to share fraudsters you should contact Action Fraud on **0300 123 2040**.

5,000 people contact the Financial Conduct Authority about share fraud each year, with victims losing an average of £20,000

Information about the Company

FINANCIAL CALENDAR

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

History

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

Company Numbers

Guernsey company registration number: 56625

Ordinary Shares

London Stock Exchange ISIN code: GG00B96SW597
Bloomberg code: JGCI
SEDOL B96SW59

Market Information

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

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

Website

www.jpconvertiblesincome.co.uk

Share Transactions

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

Manager and Company Secretary

JPMorgan Funds Limited

Administrator

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

For company secretarial matters please contact Rhys Williams at the above address.

Depository

BNY Mellon Trust and Depository (UK) Limited
BNY Mellon Centre
160 Queen Victoria Street
London EC4V 4LA

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

Registrars

Capita Registrars (Guernsey) Limited
Mont Crevelt House
Bulwer Avenue
St Sampson
Guernsey GY2 4LH
Telephone number: 0871 664 0300
(Calls cost 10p per minute plus network extras)

Lines are open Monday – Friday, 9.00 a.m. to 5.30 p.m.
(from outside the UK +44 (0) 20 8639 3399)

Email: shareholder.services@capita.co.uk

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

Independent Auditors

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

Brokers

Winterflood Securities
The Atrium Building
Cannon Bridge
25 Dowgate Hill
London EC4R 2GA
Telephone number: 020 3100 0000

Savings Product Administrators

For queries on the J.P. Morgan Investment Account and J.P. Morgan ISA, see contact details on the back cover of this report.

aic
The Association of
Investment Companies

A member of the AIC

www.jpmconvertiblesincome.co.uk

J.P. Morgan Helpline

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

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