



# JPMorgan Global Core Real Assets Limited

Annual Report & Financial Statements  
for the year ended 28th February 2022

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**J.P.Morgan**  
ASSET MANAGEMENT

# Contents

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## **Strategic report**

Financial Highlights and Key Statistics	8
Chairman's Statement	10
Investment Managers' Report	13
Environmental, Social and Governance Report	20
Portfolio Information	24
Company Purpose, Investment Objective, Policies and Guidelines	28
Principal and Emerging Risks	31
Long Term Viability	35
Duty to Promote the Success of the Company	36

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## **Directors' report**

Board of Directors	39
Directors' Report	40
Corporate Governance Statement	42
Audit Committee Report	46

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## **Directors' Remuneration Report**

49

## **Statement of Directors' Responsibilities**

52

## **Independent Auditor's Report**

54

## **Financial statements**

Statement of Comprehensive Income	62
Statement of Changes in Equity	62
Statement of Financial Position	63
Statement of Cash Flows	64
Notes to the Financial Statements	65

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## **Regulatory disclosures**

Alternative Investment Fund Managers Directive Disclosure (Unaudited)	83
Securities Financing Transactions Regulation Disclosure (Unaudited)	83

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## **Shareholder information**

Notice of Annual General Meeting	85
Glossary of Terms and Alternative Performance Measures (Unaudited)	88
Where to Buy J.P. Morgan Investment Trusts	90
Information About the Company	91

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JPMorgan Global Core Real Assets Limited (the 'Company' or 'JARA') is a closed-ended investment company incorporated in accordance with The Companies (Guernsey) Law, 2008. The address of its registered office is at 1st Floor, Les Echelons Court, Les Echelons, South Esplanade, St Peter Port, Guernsey GY1 1AR.

The principal activity of the Company is investing in securities as set out in the Company's Investment Objective and Investment Policy.

## Investment objective

The Company seeks to provide shareholders with stable income and capital appreciation from exposure to a globally diversified portfolio of Core Real Assets.

## Investment policy

The Company pursues its investment objective through diversified investment in private funds or managed accounts managed or advised by entities within J.P. Morgan Asset Management (collectively referred to as 'JPMAM'), the asset management business of JPMorgan Chase & Co. Please refer to pages 28 and 29 for full details of the Company's investment policies.

## Dividend policy

The Company has a target annual dividend yield of 4% to 6%, based on the initial issue price of 100.0p per share.

## Capital structure

As at 28th February 2022, the Company's share capital comprised 217,407,952 ordinary shares of no par value.

## Management Company

The Company employs JPMorgan Funds Limited ('JPMF' or the 'Manager') as its Alternative Investment Fund Manager. JPMF delegates the management of the Company's portfolio to JPMorgan Asset Management (UK) Limited ('JPMAM UK') which further delegates the management to J.P. Morgan Asset Management, Inc., Security Capital Research & Management Inc. and J.P. Morgan Alternative Asset Management Inc. (collectively referred to as 'JPMAM' or the 'Investment Manager' or 'Investment Managers'). All of these entities are wholly owned subsidiaries of J.P. Morgan Chase & Co.

## Management fees

JPMF is entitled to receive from the Company a management fee in respect of that part of the Company's net asset value which is invested in JPMAM products, calculated at the rate of 0.05% per annum. The Company's investments in the JPMAM products also bear the management fee charged by the relevant manager at the level of the relevant JPMAM product (the 'underlying management fees'). The total overall management fee payable to JPMAM is the aggregate of the management fee and the underlying management fees. No management fee is charged on uninvested assets held in cash or cash equivalents.

The total overall management fee borne by the Company is currently 0.93% per annum, falling on a tiered basis to 0.81% per annum if the Company's net asset value is £1 billion or more, based on the initial portfolio, as set out in the table below:

Company's Net Asset Value invested in JPMAM Products	Total Overall Management Fee
£100m	0.93%
£300m	0.91%
£500m	0.86%
£1,000m	0.81%

Further details on the management fee and the underlying fees payable to the relevant managers of the JPMAM Products can be found on page 40.

## Administrator

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

## Gearing

The Company may use gearing, in the form of a bank facility or revolving credit facility, for cash management, currency hedging purposes or other short term needs. Borrowings may be in Sterling or other currencies. The Company's total borrowings will not exceed 20% of net asset value calculated at the time of drawdown. The Company does not currently have any borrowing facilities.

## Continuation resolution

In accordance with the Company's Articles of Incorporation, the Directors are required to propose a resolution that the Company continue as a closed-ended investment company at the annual general meeting in 2024 and every fifth year thereafter.

## Financial Conduct Authority ('FCA') regulation of 'non-mainstream pooled investments', MiFID II 'complex instruments' and EU Sustainable Finance Disclosure Regulation

The Company currently conducts its affairs so that its shares can be recommended by Independent Financial Advisers to ordinary retail investors in accordance with the rules of the FCA in relation to non-mainstream 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. The Company's shares are not classified as 'complex instruments' under the FCA's revised 'appropriateness' criteria adopted in the implementation of the Markets in Financial Instruments Directive ('MiFID II').

The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

## Association of Investment Companies ('AIC')

The Company is a member of the AIC.

## Website

The Company's website, which can be found at [www.jpmrealassets.co.uk](http://www.jpmrealassets.co.uk), includes useful information on the Company, such as daily share prices, factsheets and current and historic half year and annual reports.

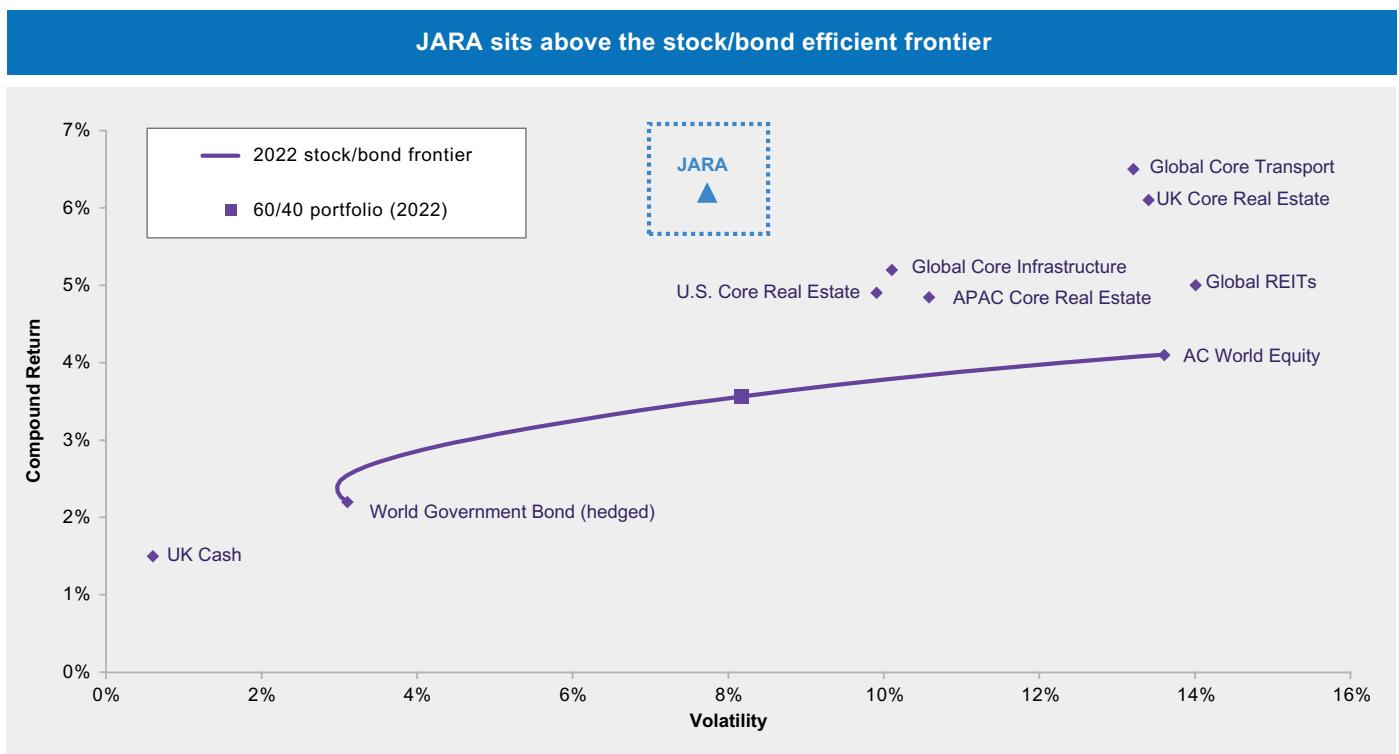
# Key Features

## A cornerstone allocation to Global Core Real Assets

JARA seeks to provide shareholders with a cornerstone allocation to real assets through a portfolio which is diversified across real asset categories and geographies. JARA delivers this by accessing a number of JPMAM's institutional real asset strategies, focused on Infrastructure, Real Estate and Transport. These strategies are significant in scale with established, mature portfolios able to provide investors with predictable long term cashflows that are hard to access through the public markets. The scale and diversification of these strategies provides JARA's shareholders with access to geographies and investments not typically available to them in other real asset vehicles.

JARA predominantly allocates towards 'core' real assets, which have forecastable cash flows for long periods of time with a low margin of error. As such it is expected that a significant part of JARA's investment return will be derived from income and typically these cash flows are linked to high quality counterparties in developed, mostly OECD markets. This is in contrast with 'non-core' or value-add assets that tend to have a higher risk/higher return profile and a greater dispersion of returns.

As well as seeking to provide investors with a stable income, real assets can provide strong risk adjusted returns. The below analysis is based on JPMAM's Long Term Capital Market Assumptions – an annual publication which provides a forward-looking view of asset class risk and returns over the next 10-15 years. The purple line shows the stock/bond efficient frontier and provides an illustration of the level of return and volatility which might be expected from a public markets' portfolio. The goal for investors is to maximise outcomes for a given level of volatility and, therefore, asset classes which sit above the efficient frontier are typically deemed to be accretive to investor portfolios as they offer a higher return for a given level of volatility. As shown below, real assets and, importantly, JARA sit above the stock/bond efficient frontier and therefore adding JARA into a portfolio should have an accretive impact on returns and efficiency.



Source: J.P. Morgan Asset Management; estimates as of Jan 2022. For illustrative purposes only. Illustrative JARA portfolio allocations are based on a representative portfolio and are subject to change. All returns above are compound returns in GBP net of fees. Analysis utilises J.P.Morgan's Long Term Capital Market Assumption returns for each asset class – these are asset class level returns which are intended to reflect median manager outcomes.

It is also important to highlight how JARA compares to single real asset categories such as global infrastructure, global transport and region-specific real estate. Whilst JARA aims to deliver a similar total return to these asset classes its volatility is expected to be lower – making it a more efficient investment. This is driven by the uncorrelated nature of JARA's component investments. As such, JARA looks to benefit from a double layer of diversification as its dedicated real asset categories offer an uncorrelated return to public markets but also each other thereby reducing portfolio level volatility vs. any one single real asset category allocation. As noted in the next section, there is also significant opportunity for active asset allocation across the real asset market – something which JPMAM is well positioned to take advantage of for JARA's portfolio.

## Benefits of active asset allocation

JPMAM has one of the world's leading alternatives platform with \$215 billion+ in assets under management ('AUM') across the alternatives spectrum. Within this, real assets represent approximately \$90 billion in AUM, the majority of which is focused on core, income producing assets (data as of 31st December 2021).

JARA's portfolio is managed by JPMAM's Alternatives Solutions Group ('ASG'); a team focused on designing, building and managing multi-alternatives solutions. The ASG team has over 25 years of experience in managing alternatives solutions and has the goal to bring 'more science and less art' to alternatives asset allocation and portfolio construction utilising top-down views and capital market assumptions with bottom-up market data from JPMAM's 300+ alternative investment professionals.

JARA therefore benefits from accessing these already scaled core strategies with a lower cost and lower exposure to any one geography, asset or regulatory risk. In addition, JARA has the ability to pivot exposures at the underlying strategy level – for example by underweighting or overweighting a certain sector or geography. It also benefits from ongoing active management from the ASG which looks to optimise returns by evolving the strategic asset allocation over time to take advantage of any new opportunities the market provides. Active asset allocation is fundamental to investing in the core real asset market given the wide variety of outcomes possible. To take advantage of this potential dispersion, the ASG look to actively allocate across different asset classes, whilst being mindful of the constraints which exist when investing in illiquid asset classes. This active asset allocation will be informed by our relative view of both income and total return achievable by each asset class within the medium to long term. The scale and global diversification of these strategies provides JARA's shareholders with access to deals they would be unable to access on their own.

## Strategic assets allocation

### Legend

Global Equities	Global Core Infra Equity
Global Bonds	Global Core Transport
Global Listed Infra	Core U.S. All-Tranche REITs
Global Listed REITs	Listed Real Assets
U.S. Core Real Estate	U.S. Real Estate Core Mezzanine Debt
APAC Core Real Estate	



Key Metrics - 15 yrs	Global Equities	60% Global Equities / 40% Global Debt	JARA
<b>Target Total Return (Net)</b>	4 - 6%	4 - 6%	7 - 9%
<b>Target Income Return (Approximate)</b>	1.5 - 2.5%	1.5 - 2.5%	4 - 6%
<b>Historical Gross Return</b>	8.2%	6.7%	8.2%
<b>Historical Volatility</b>	17.4%	10.5%	7.0%
<b>Gross Return per Unit of Risk</b>	0.5	0.6	1.2
<b>Max Drawdown</b>	-38%	-21%	-11%
<b>% of Time Over CPI + 3%</b>	85%	69%	85%

Simulated past performance is not a reliable indicator of current or future results.

Diversification does not guarantee investment returns and does not eliminate the risk of loss.

Backtested results are calculated by the retroactive application of a model constructed on the basis of historical data and based on assumptions integral to the model which may or may not be testable and are subject to losses.

Sources: Bloomberg, MSCI, Barclays, NCREIF, CBRE Jones Lang LaSalle, FTSE EPRA/NAREIT, S&P, Dow Jones, Nasdaq, STOXX, Clarksons, and JPMAM Global Real Assets Research.

Illustrative long-term real assets analysis using asset class annual returns from 2006 to 2020.

### Data Notes:

- (1) JARA Model Portfolio contains the following allocations: 15% U.S. Core RE, 15% APAC Core Real Estate, 10% U.S. Real Estate Core Mezzanine Debt, 20% Global Core Infra Equity, 20% Global Core Transport, 10% U.S. All-tranche REITs, and 10% Listed Real Assets.
- (2) The target returns are net compound returns based on local currency and are for illustrative purposes only and are subject to significant limitations. The total return and income range are shown net of estimated JARA management fees and operating expenses.
- (3) The risk-return characteristics are calculated in local currency terms unless otherwise indicated. The unhedged JARA portfolio has been translated into GBP terms.
- (4) Return per unit of risk is calculated by dividing the 15 year compound annual growth rate ('CAGR') by the 15 year standard deviation.
- (5) The max drawdown denotes the maximum historical peak to trough decline in asset values.
- (6) % of time over UK CPI + 3% is calculated using UK CPI on a 3 year rolling returns plus 3%.
- (7) Target return assumptions for global equities and bonds are based on J.P. Morgan Long-term Capital Market Assumptions.
- (8) Target income figures are based on projected net distributable yield except for global equities and global bonds, which is based on trailing 12 month dividend yield and yield to worst respectively.

# Key Features

## Underlying strategies

Infrastructure	Transport	Real Estate	Listed Real Assets
<ul style="list-style-type: none"> <li>Core/core+ infrastructure in OECD markets</li> <li>Sectors focus on renewables, contracted power, utilities and storage</li> <li>Platform investing approach allowing for long term value creation</li> </ul>	<ul style="list-style-type: none"> <li>Yield-focused backbone transport assets with long term leases with on average investment grade counterparties</li> <li>Providing income, uncorrelated returns and global exposure</li> <li>Maritime, energy logistics, aircraft, rail and fleet leasing</li> </ul>	<ul style="list-style-type: none"> <li>High quality real estate, across the U.S. and Asia-Pacific region</li> <li>Core property sectors – logistics, residential, office and retail – in major growth markets with attractive demographics targeting the most dynamic liquid gateway cities, which are important hubs for economic growth</li> <li>Exposed predominantly to industrial/logistics, multifamily and office</li> </ul>	<ul style="list-style-type: none"> <li>Listed exposure across real estate, infrastructure and transportation securities</li> <li>Listed real estate includes all-tranche REIT approach whereby investment is also diversified into debt securities</li> </ul>

## Exposure to global themes

Real assets are the building blocks of productive societies – offering places for people to work and shop; providing essential services such as electricity and water and helping transport people and goods around the globe. As such, they are fundamental to the way we live our lives and are linked to many of the global trends we experience in society every day.

### Global trends within JARA's portfolio



#### Energy Transition

10%

- JARA has exposure to +6GW of renewable energy
- Exposure extends beyond just renewable energy assets to other ancillary renewable sectors (e.g. wind farm maintenance vessels)

#### E-commerce Acceleration

24%

- JARA owns assets across the supply chain including Logistics and Container ships
- E-commerce trend magnified by COVID-19

#### Emerging Core Sectors

6%

- As the world evolves so will our definition of 'core' real assets
- Examples include: single-family housing, data centres etc

#### Awareness of Social Responsibility

100%

- All underlying strategies are fully ESG integrated
- Strong GRESB ratings and UN SDG alignment

For illustrative purpose only. As of February 2022. Source of the images: J.P. Morgan. Holdings and exposure may be subject to change from time to time. All investments might not be suitable for all investors. Provided for information only, not to be construed as offer, research or investment advice.

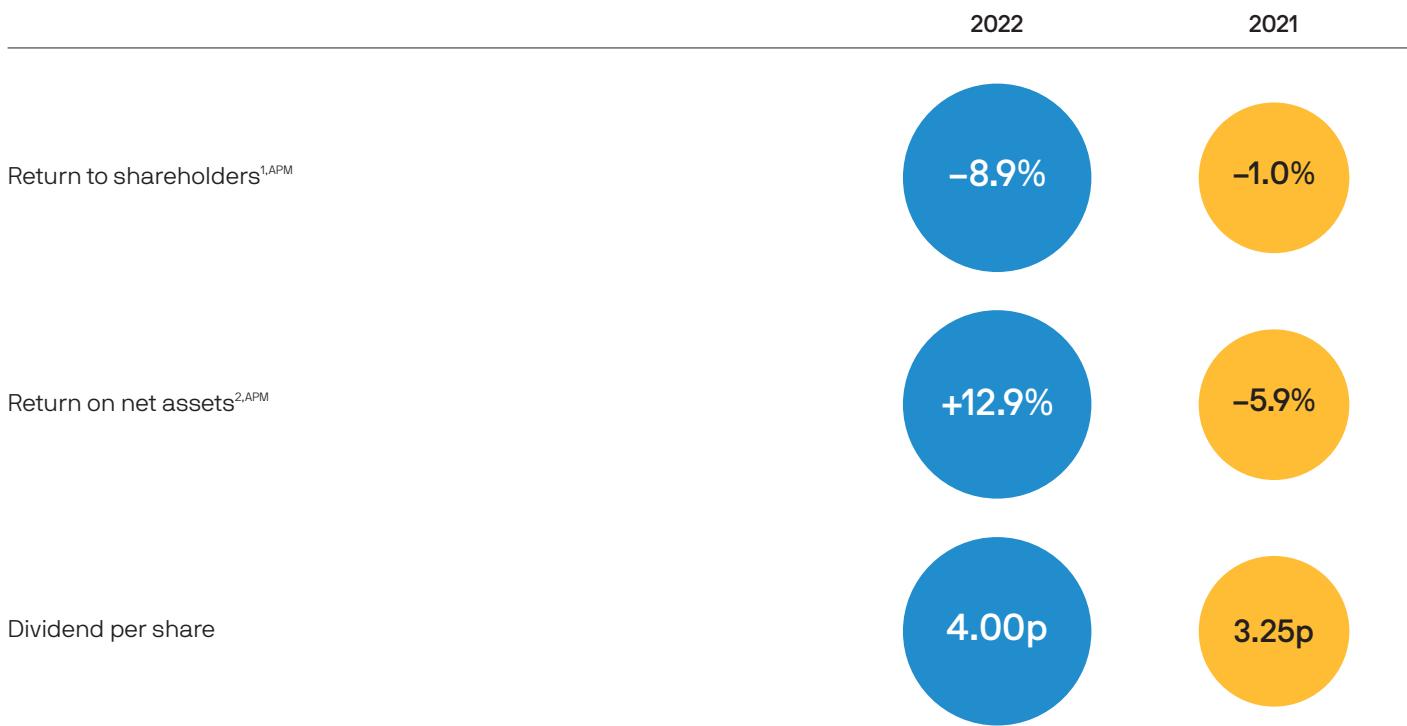
Similar to how the fallout from the global pandemic created and accelerated some of these themes, over time, JPMAM expects new, equally influential themes to become important to the real asset market. This may, for example, be in how real assets can help Europe increase its energy independence or help the digitisation of our lives.

In each case, JPMAM remains vigilant and excited to pursue new themes within the core real asset marketplace on behalf of JARA.



## Financial Highlights and Key Statistics

Total returns (including dividends reinvested) to 28th February



<sup>1</sup> Source: Morningstar.

<sup>2</sup> Source: J.P. Morgan/Morningstar, using cum income net asset value per share.

APM Alternative Performance Measure ('APM').

A glossary of terms and APMs is provided on pages 88 and 89.

### Key statistics

#### Private Assets

NUMBER OF PRIVATE INVESTMENTS/ PRIVATE ASSETS	258/1,008
AVERAGE LEASE DURATION	4.4 years
CONTRACTED INCOME RECEIVED Q4 2021	97%
CONTRACTS TO BE NEGOTIATED IN 2022	8%

#### Balance Sheet

AVERAGE DISCOUNT RATE	7.3%
LOOK THROUGH LOAN-TO-VALUE	39.4%
COST OF DEBT	3.0%
FIXED/FLOATING DEBT	79%/21%

Data as of 28th February 2022. The above metrics relate to the private assets of JARA, representing approximately 80% of net asset value. By detailing an aggregate of the high level metrics across the private assets, investors in JARA can benchmark JARA's portfolio against other assets they own, i.e. LTV, lease duration and cost of debt. Note that this is based on the current portfolio and will change as the portfolio becomes further invested. Past performance is not a reliable indicator of current and future results.

## Financial Highlights and Key Statistics

## Summary of results

	28th February 2022	28th February 2021	% change
<b>Total returns (including dividends reinvested)</b>			
Return to shareholders <sup>1,APM</sup>	-8.9%	-1.0%	n/a
Return on net assets <sup>2,APM</sup>	+12.9%	-5.9%	n/a
Dividend per share <sup>3</sup>	4.00p	3.25p	+23.1
<b>Net asset value, share price, discount and market data</b>			
Shareholders' funds (£'000)	206,589	183,517	+12.6
Net asset value per share <sup>APM</sup>	95.0p	87.9p	+8.1
Share price	84.7p	97.2p	-12.9
Share price (discount)/premium to net asset value per share <sup>APM</sup>	(10.8)%	10.6%	
Exchange rate	£ 1 = \$ 1.342	£ 1 = \$ 1.398	-4.0
Shares in issue	217,407,952	208,807,952	+4.1
<b>Gain/(loss) for the year</b>			
Gain/(loss) attributable to shareholders (£'000)*	23,693	(12,730)	
Gain/(loss) per share	11.06p	(6.16)p	
<b>Net cash<sup>APM</sup></b>	(0.9)%	(10.9)%	
<b>Ongoing charges<sup>APM</sup></b>	1.35%	0.69%	

<sup>1</sup> Source: Morningstar. This is the total return (i.e. including dividends reinvested) on the Company's share price.

<sup>2</sup> Source: Morningstar/J.P. Morgan. This is the total return (i.e. including dividends reinvested) on the Company's net asset value per share.

<sup>3</sup> Under Guernsey company law, the Company is permitted to pay dividends despite losses provided solvency tests are performed and passed ahead of dividend declaration.

<sup>APM</sup> Alternative Performance Measure ('APM').

\* Based on the changes in net assets during the year.

A glossary of terms and APMs is provided on pages 88 and 89.

## Chairman's Statement



John Scott  
Chairman

I am pleased to present the Annual Report & Financial Statements for JPMorgan Global Core Real Assets Limited (the 'Company' or 'JARA') for the year ended 28th February 2022.

### Performance

The net asset value total return over the period, measured in pounds sterling, was +12.9% inclusive of a total dividend of 4 pence per share paid to shareholders in the year. This is a strong result and the Board is delighted that the Company's strategy is now generating attractive returns for investors, while being disappointed that JARA's share price total return did not keep pace with the net asset value ('NAV'), ending the year down 8.9%, reflecting a discount to underlying NAV at which the shares were trading on 28th February 2022. Since that date, the Company's share price has re-rated and is now at a premium to NAV; at close of business on 29th June 2022 (the latest practicable date ahead of publication), the share price was 107.0 pence per share (a 26.3% increase compared to 84.7 pence per share at the end of February 2022).

It is pleasing to note that the private strategies in which the Company was invested, as well as the liquid strategies, all posted positive returns over the year in their local currencies – in what has been a very testing year for many asset classes across the globe, this is an endorsement of the resilience of our underlying strategies. The Company has been fully invested only for the last six months of the reporting period, so such performance is especially encouraging.

Since most of the Company's assets are denominated in U.S. dollars, or in currencies which tend to be closely correlated with the U.S. dollar, JARA's returns were assisted by sterling's 4% decline against the U.S. currency over the past year. Shareholders will be aware that, following the year end, sterling has weakened further against the U.S. dollar, which has proved to be a helpful tailwind for the Company. One of JARA's attributes is that it offers shareholders access to real assets globally and with this comes a global currency exposure. Whilst this currency impact has benefitted the Company over the last year and post the year end, experience of recent years might suggest that currency movements have a habit of reversing themselves and should represent a neutral impact for shareholder returns in the long run.

The Investment Managers' Report reviews the Company's performance and gives a detailed commentary on the investment strategy and portfolio construction, and an outlook for the strategies.

### Objective and features

The Company's objective is to provide shareholders with both stable income and capital appreciation through exposure to a globally diversified portfolio of 'core real assets', by which we mean physical and financial assets that offer reliable, highly forecastable, long term cash flows. These are focused on unlisted assets held in private funds investing in the global infrastructure, real estate and transportation sectors, alongside a more liquid element of the portfolio investing directly in listed real assets. Through these private funds and accounts managed by J.P. Morgan Asset Management, the Company provides diversified access to over 250 private investments which themselves have exposure to over 950 underlying private real assets.

The Company aims to provide investors with a long-term NAV return of 7% to 9% per annum, inclusive of a dividend yield (based on the initial issue price of 100p per share) of 4% to 6% per annum.

For more detail on why shareholders stand to benefit from the diversifying role that JARA is designed to fulfil in their portfolios, please refer to the 'Key Features' section on pages 4 to 6.

### Keeping investors informed

The Company currently releases NAVs to the market four times a year, being at the end of May, August, November and February, via the London Stock Exchange's Regulatory News Service. With effect from the end of June 2022, the Company will release NAVs on a monthly basis. These monthly NAVs will contain the latest pricing for the liquid strategy and exchange rates, with the private strategies being priced on a quarterly basis.

### Capital deployment

By August 2021, the portfolio had achieved full investment and, as can be seen from the Investment Managers' Report, the Company is now well diversified across a range of different sectors throughout

## Chairman's Statement

the Real Asset spectrum. An important aspect of JARA is its diversification, which aims to ensure no over-exposure to any one sector, asset or counterparty. JARA benefits from the active management at both the portfolio and underlying strategy level to drive returns for investors. One exciting example is JARA's allocation to some of the newest and most efficient Liquid Natural Gas ('LNG') carriers which have come to market at a particularly opportune moment. Ordered in 2019, these assets are now operationally active at a time when they find themselves some of the most sought-after transportation investments globally, with the Ukraine conflict driving much of the world to switch its LNG purchases from fixed pipelines to a seaborne supply chain.

Since the year end the Company has added a further level of diversification through investment in a US Real Estate Mezzanine Debt (the 'Mezzanine') strategy. This investment provides JARA with exposure to a portfolio of 15 existing loans, with a bias towards multifamily housing and office loans. As a result of this transaction the Company has increased its sensitivity to rising interest rates, given that the Mezzanine strategy has approximately 80% of its exposure to floating rate loans. This allocation, now fully drawn, also helps to increase JARA's portfolio income as the underlying Mezzanine strategy has generated an income of 7.4% over one year and an annualised return of 6.9% since inception (5th December 2019). The target total return for the Mezzanine strategy is 6%-8% net per annum (net of management fees); this return is primarily income orientated.

### Revenue and dividends

Over the course of the year, the Company grew its share capital by 4% through the issue of 8,600,000 new shares at a premium to their prevailing NAV and, as at 28th February 2022, the Company had 217,407,952 shares in issue and net assets of £206.6 million.

The Company has weathered a number of headwinds over the last year regarding the portfolio income, some caused by the disruption caused by COVID-19, but also on account of sterling strength in the first quarter of the Company's financial year. Nonetheless, the Board is pleased to note that this has not prevented JARA from achieving its target dividend rate. The Board declared total dividends of 4 pence per share in respect of the Company's year ended 28th February 2022, comprising four dividends of 1 penny each.

The Directors intend to maintain at least the current level of dividend and to review the level of dividend cover in the coming quarters. They have declared a first dividend for the 2022/23 financial year of 1 penny per share, which was paid to shareholders on 31st May 2022. Your Board believes that, over the longer term, the success of the underlying businesses into which JARA invests will facilitate a steadily growing level of dividends.

### Share issuance

Since IPO, the Company has taken advantage of the premium to NAV at which its shares have traded to issue an additional 67,838,128 shares, and over the past financial year 8,600,000 new shares were issued pursuant to the placing programme, raising gross proceeds of £8.0 million. These proceeds were invested in line with the Company's investment policies across the underlying investment strategies. Share issuance is always executed at a premium to the prevailing cum-income NAV per share and so is accretive to the returns of existing shareholders. If conditions are appropriate, the Company will continue to issue new shares which, as well as assisting with premium management, will also enhance liquidity and continue to underpin the Company as an attractive investment.

The Board also assesses the need for buybacks when the shares are trading at a discount to NAV and will aim to balance factors such as changes on the shareholder register and whether buybacks would be more accretive to NAV when compared to any foregone opportunity for potential investment opportunities.

### Corporate governance

The Board is committed to maintaining and demonstrating high standards of corporate governance, which is essential to foster the long-term, strategic thinking that will create and protect value for all stakeholders. The Board has considered the principles and provisions of the 2019 Association of Investment Companies Code of Corporate Governance (the 'AIC Code'). The AIC Code addresses all the principles and provisions set out in the UK Corporate Governance Code, as well as setting out

## Chairman's Statement

additional principles and provisions on issues that are of specific relevance to investment companies. The Board considers that reporting in accordance with the principles and provisions of the AIC Code provides relevant and comprehensive information to shareholders.

I am pleased to report that throughout the year ended 28th February 2022 the Company complied with the recommendations of the AIC Code.

### The Board

In accordance with the Company's Articles of Incorporation and corporate governance best practice, all Directors will be retiring and seeking re-election by shareholders at the Company's Annual General Meeting ('AGM'). The Board's knowledge and experience is detailed on page 39.

### Annual general meeting

The Company's third AGM will be held on 5th August 2022 at 12 noon at Les Echelons Court, Les Echelons, South Esplanade, St Peter Port, Guernsey GY1 1AR. I would encourage all shareholders to vote.

If shareholders are unable to attend the AGM, they are welcome to raise any questions in advance of the meeting with the Company Secretary at the Company's registered address, or via the 'Ask Us a Question' link which can be found in the 'Contact Us' section on the Company's website, or by writing to the Company Secretary at the address on page 91 of this report or via email to [invtrusts.cosec@jpmorgan.com](mailto:invtrusts.cosec@jpmorgan.com).

### Outlook

This report covers the year from March 2021 to February 2022, JARA's second full year of operations; the 2020/21 year was greatly affected by the onset of the global pandemic and while the year just past has seen a remarkable recovery in the world economy, it was far from plain sailing for investors. The world has largely learnt to live with COVID-19 and its many variants, resulting in an improvement in your Company's prospects and a vindication of its investment strategies. However, shareholders will be aware that, only four days before the end of our financial year, Russia took the fateful decision to invade its neighbour Ukraine and while the resulting war will undoubtedly cause great disruption and hardship for months and possibly years to come, your Board's assessment of the strategies into which JARA invests suggests that they are proving to be remarkably resilient. Some of these, such as the LNG carriers mentioned above, stand to benefit significantly from the switch away from Russian fossil fuels.

Meanwhile, the Company has developed significantly from when I wrote to shareholders last year. It is now fully invested, it has achieved its initial dividend targets and its assets have seen no material disruption or lasting impact from the COVID-19 pandemic. The diversification across geographies, asset classes and macro drivers means that JARA is well placed to continue to meet both its income and capital returns, even in the challenging times in which we live. Specific themes, such as the focus on energy transition, have become more relevant and the infrastructure and transport strategies are well positioned for today's world.

With JARA's shares once again trading at a premium, the Board and Manager will monitor the demand for the Company's shares and assess this in the context of the long term goal of growing the Company and delivering strong returns for investors against the volatile market backdrop. In summary, therefore, following a launch which took longer and proved to be more problematic than any of us could have imagined back in September 2019, I believe that JARA offers its shareholders access to an investment framework which provides steady income with capital preservation in real terms, while being exposed to a high quality and professionally managed asset base.

**John Scott**

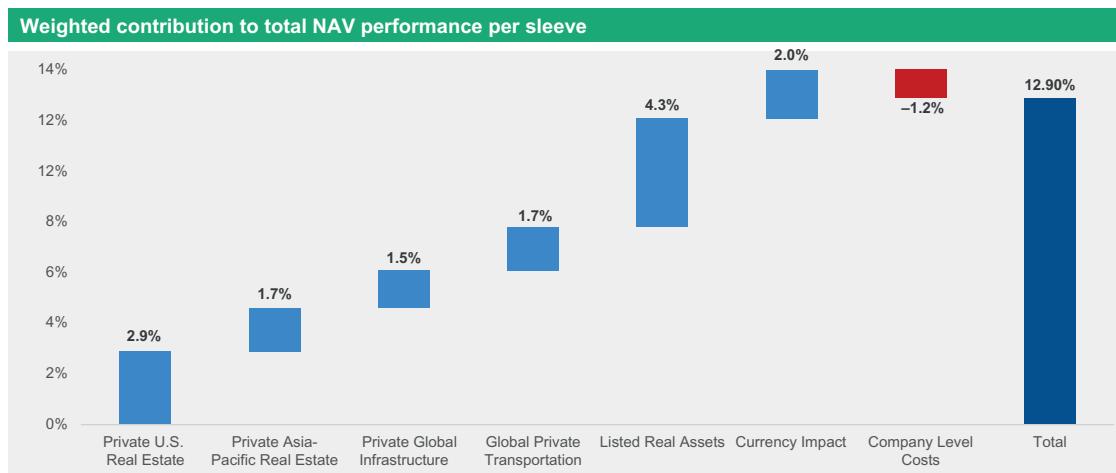
Chairman

1st July 2022

## Investment Managers' Report

### Portfolio review

During the financial year JARA's portfolio of investments achieved its full weighted allocation and this, coupled with the positive returns in each and every one of the underlying strategies, resulted in an NAV total return in GBP of +12.9%. Over the reporting period, local currency performance was +11.7%. The difference between the GBP return and the local currency return was caused by currency movements which were accretive to JARA's GBP NAV. As a reminder, the Company's portfolio is unhedged and therefore, when allocating overseas, foreign exchange risk is present. Following the year end the US dollar strengthened against sterling creating a tailwind for JARA as it starts its new financial year. The below table shows the contributors to JARA's performance calculated using each strategy's investment performance and its average weighting within the portfolio throughout the year.



	Private U.S. Real Estate	Private Asia-Pacific Real Estate	Private Global Infrastructure	Private Global Transportation	Listed Real Assets
Income	0.6%	1.1%	2.2%	1.9%	0.8%
Capital	2.3%	0.6%	-0.7%	-0.2%	3.5%
<b>Total</b>	<b>2.9%</b>	<b>1.7%</b>	<b>1.5%</b>	<b>1.7%</b>	<b>4.3%</b>

Source: J.P. Morgan Asset Management. Numbers may not sum due to rounding. Currency impact also includes return earned from cash holdings over the year. Table shows the components of return contribution made up of income and capital. Capital contribution may be negative for reasons including asset depreciation, asset write downs or due to income return including some return of capital.

During the year JARA invested \$44 million into underlying strategies, with a significant portion of this going towards private transport and private Asia-Pacific real estate assets. As shown below, at the year end JARA was fully invested across a range of different sectors throughout the real asset universe. This positioning aligns with both our strategic asset allocation and also areas of high conviction in the medium term. For example, industrial/logistics remain our favoured sector within real estate owing to continued tenant demand with 'last mile' assets (asset located close to urban areas) especially in demand. Similarly, utilities and renewable energy are our preferred areas within infrastructure owing to structural trends and inherent inflation mitigation built within the contracts in these sectors. 'Direction of travel', which is indicative of our areas of focus and known/expected pipelines, is also focused on these areas.

# Investment Managers' Report

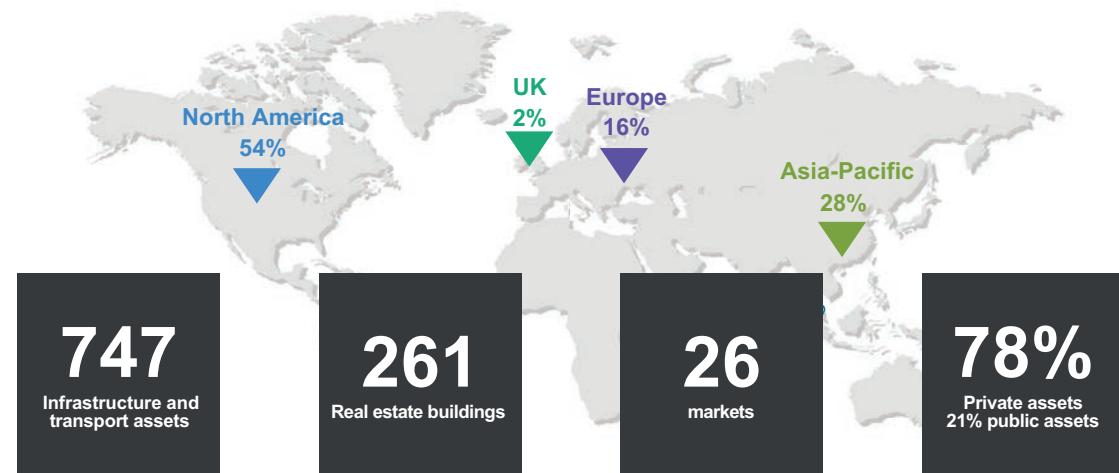
Sector	% Allocation	Direction of travel
Industrial / Logistics	18%	↑
Office	15%	▬
Residential	10%	↑
Other Real Estate	6%	▬
Retail	7%	↓
<b>Total Real Estate (private % / public %)</b>	<b>56% (43% / 13%)</b>	
Utilities	11%	↑
Renewable Energy	5%	↑
Liquid Bulk Storage	2%	▬
Fixed transportation Assets	2%	▬
Conventional Energy	1%	▬
<b>Total Infrastructure (private % / public %)</b>	<b>22% (17% / 5%)</b>	
Maritime	11%	▬
Energy Logistics	5%	↑
Aviation	3%	▬
Rolling Stock	2%	▬
<b>Total Transportation (private % / public %)</b>	<b>22% (18% / 4%)</b>	
<b>Total Invested Portfolio</b>	<b>98%</b>	

As of 28th February 2022. Numbers may not sum due to rounding. Source: J.P. Morgan.

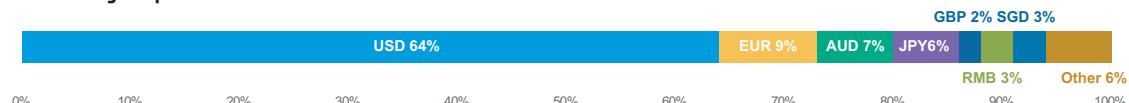
A central tenet of JARA's investment proposition is to provide shareholders with a diversified portfolio of real asset exposures both by asset class, end user counterparty and by geography. JPMAM believes this aim has been achieved with JARA now having a truly global real asset portfolio as illustrated below. This global diversification proved crucial as, over the reporting period, economies reopened and recovered from the pandemic in different ways and on varying trajectories. The U.S. exposure, for example, proved very beneficial in the second half of the financial year and there are further details on this later in this report.

With inflation running high, and central banks trying to thread the needle to achieve a 'soft landing', combined with geopolitical events in Europe, this highlights the need to build a resilient portfolio through diversification. The benefits of a global portfolio have never been more important, especially in real assets where risk and return is often linked to the local market e.g. demographics, regulations etc. As such JPMAM believes that JARA's portfolio is well positioned with its North America and Asia-Pacific exposure complementing many investor's allocations closer to home.

## Geographical allocation



## Currency exposure



As of 28th February 2022. Please note that the geographic allocation to Global Transport has been split equally between North America, APAC, and Europe (ex UK). Numbers may not add to 100% due to rounding. Source of the images: J.P. Morgan.

## Investment Managers' Report

### Review of underlying strategies

#### Global Private Real Estate

- High quality real estate, across the U.S. and Asia-Pacific regions. Focused on core property sectors – logistics, residential, office and retail – in major growth markets and the most dynamic gateway cities, which are important hubs for economic growth.
- 261 assets globally equating to \$48 billion in asset value (includes leverage). Average level across real estate of 31%.
- Focus has been on increasing industrial/logistics and residential exposure. These sectors provided the majority of JARA's return over the financial year.

JARA's private real estate allocation provided a significant contribution to returns with JPMAM's platform having one of its strongest years on record. The majority of the return came from the private U.S. real estate exposure which significantly outperformed all other strategies with double digit returns and added 2.9% to JARA's total return. In addition, private Asia-Pacific real estate added 1.7%. A key driver in the U.S. real estate outperformance was the 'great reopening' of the U.S. economy following 18 months of intermittent restrictions. The U.S. real estate allocation was increased in the middle of the year, adding to positions where cash flow allowed and this allocation was not adjusted as performance materialised. As a consequence, the overweight resulted in amplified outperformance from this allocation.

Globally, returns were driven by extraordinary tenant demand, especially in the industrial/logistics sector, which contributed over 60% of our real estate appreciation last year. Supply constrained locations in the U.S. and Asia-Pacific markets close to population centres and port traffic demonstrated the greatest rent growth; a trend persisting throughout 2021, we expect this to continue into 2022. Beyond logistics, the residential sector was the second highest conviction area with a focus on suburban residential in the U.S. and multi-family sectors in Japan.

In addition to strong performance, the year was very busy in terms of active asset management activity within the underlying strategies. From an acquisitions standpoint, in Asia alone we closed or contracted on nearly USD1 billion of equity investment – primarily in Logistics in New Zealand, Japan, Singapore, Australia and Hong Kong. As well as these acquisitions the real estate strategies disposed of more than USD3 billion of assets (c. 7% of real estate asset value), 80% of which were in office and retail assets which no longer met ongoing expectations for growth objectives. Assets were generally sold at or above holding values and on average retail disposals achieved values that exceeded their carrying value by 9%.

It is pleasing to report that both JPMAM's real estate strategies were ranked #1 in their respective peer groups within GRESB<sup>1</sup>, receiving an average score of 90/100 and both strategies were awarded five out of five stars. These results are representative of JARA's approach to ESG across its entire portfolio, as detailed within the ESG section. These results also compare well with rankings within the wider investment company universe.

#### Global Private Infrastructure & Transportation

- Core/core+ infrastructure and transportation. Focused on platform ownership allowing for long term value creation and backbone transport assets with, on average, investment grade counterparties.
- Income profile of this part of the portfolio in the 7%-10% range with the significant majority of return coming from income.
- 88 assets (747 if look-through assets included) equating to \$44 billion in asset value (includes leverage). Average leverage of 48%.

<sup>1</sup> Global Real Estate Sustainability Benchmark.

## Investment Managers' Report

- Broad sector exposure in core space with ongoing focus expected to be on renewables, utilities and energy logistics.

JARA's private infrastructure also had a strong year and contributed +1.5% to total return; the significant majority of which was derived from income. Looking at performance by sub-sector, the regulated assets generally performed inline with or above expectations, while airports remained impacted by the pandemic. In contracted power (within which we include renewables) valuations were generally positive owing to market demand, whilst operating performance was slightly below expectations due to adverse weather conditions seen in different regions.

It is worth reminding investors that within infrastructure there is quite a differentiated approach to investing as the strategy actually owns operating businesses, many of which are 'platform investments' where smaller assets can be added over time via acquisitions, developments and build outs to increase the size of the existing platforms in a more cost effective manner compared to engaging in large transactions. We now employ this approach across both infrastructure (they now represent 80-90% of the infrastructure AUM) and transport with roughly two thirds of the capital deployed in the last five years being via platform companies. These two strategies hold 14 such assets at the Company's year end. There is significant opportunity to do this in the utility, renewables and maritime space, both as a result of favourable market conditions but also due to the often-fragmented nature of the marketplace. With this in mind, the strategy is expected to increase its exposure to the utility and renewables sector and reduce its exposure to fixed transportation assets such as airports and sea ports which currently represent 2% of JARA's portfolio. This is deemed to be a well-timed shift considering the more explicit inflation linkage and less economically sensitive demand these sectors generally see.

Transport contributed +1.7% to JARA's total return; this strategy focuses on leasing out large backbone assets critical to the functioning of global trade, leased to some of the largest corporates in the world. The significant majority of this return was also income orientated and performance was in line with expectations. Throughout the year global supply chains were extremely strained, with throughput hindered by virus containment measures and labour and equipment shortages. These conditions led to significant disruption and shipment delays, absorbing free capacity, and thereby elevating charter rates and creating a tailwind for many of our operators. Whilst supply chain pressures should ease over time this has not yet happened and will likely not fully resolve itself whilst China continues to aggressively contain outbreaks of COVID-19.

Throughout the year over 20 new private assets were added within the transport strategy, all of which were in the maritime and energy logistics space. The strategy continues to avoid adding aviation assets as the future, especially around business travel, remains uncertain and better returns are to be found elsewhere; however, the existing assets now represent only 3% of JARA's overall exposure and counterparties continue to be some of the more resilient in the sector. For existing assets, contract terms are primarily fixed, hence the ability to consistently add new assets in the portfolio is favourable in allowing the strategy to capture some of the higher lease rates that are on offer in the current market environment. A number of additions this year were new build assets where having more fuel efficient and technologically advanced assets will provide a competitive advantage. This is especially the case when contracting with large well-run corporates that have a high focus on ESG elements in their operations and this extends to the assets they lease. One area of particular focus in the newbuild space has been with liquid natural gas ('LNG') carriers; an area of high conviction for the strategy over the last two years and the current macro backdrop has only enhanced this view. This is discussed further in the outlook section. The average age of the fleet is around 4.5 years and this will reduce as new build assets are delivered.

### Liquid Real Assets

- Listed exposure across real estate, infrastructure and transportation securities.
- Listed real estate includes 'all-tranche' REIT investing whereby the team has the flexibility to invest in the common equity of REITs as well as their debt securities in order to provide a lower volatility more income orientated return.

The liquid real assets component of the portfolio was increased in mid-to-late 2020 when public market values were still depressed, taking advantage of a number of mispricing and dislocations in

## Investment Managers' Report

the sub sectors. Since that point the listed exposure has rebounded strongly, albeit with some volatility towards year end; in total this sleeve contributed +4.3% over the year. From its peak, the listed real assets allocation has been steadily reduced and recycled into private assets. As a reminder, the listed real asset allocation is made up of two distinct strategies; U.S. all-tranche REITs and an allocation more broadly across a variety of other listed real assets. The portfolio is currently equally weighted between these. The benefit of having an allocation to listed real assets within the portfolio is both as a source of liquidity – giving more flexibility around asset allocation – and as a further diversifier in returns and sectoral exposure.

### Real asset market outlook

As highlighted in the key features section on pages 4 to 6, active asset allocation is fundamental to investing in the core real asset market given the wide variety of possible outcomes. This dispersion was evident last year with a near 20% dispersion between the highest performing component and the lowest performing asset classes within JARA's portfolio. To take advantage of this potential dispersion, JARA looks to actively allocate across different asset classes, whilst being mindful of the constraints which exist when investing in illiquid asset classes. This active asset allocation will be informed by JPMAM's relative view of both income and total return achievable by each asset class within the medium to long term. Please see below for JPMAM's outlook on each of the asset classes that JARA invests across, as well as a view on how inflation may impact the asset class.

### Real Estate outlook

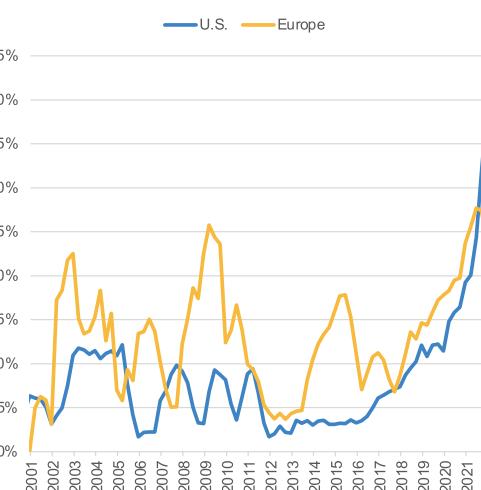
Pandemic-related impacts are now becoming visible. For example, the shift to hybrid home-and-office working patterns means that the link between aggregate market vacancy and the availability of grade A rental space has been weakened. In some markets, we expect to see high vacancy rates associated with surprisingly robust rental growth – and in these instances, maintaining a focus on quality is essential.

We expect that many asset owners with high quality assets will have the flexibility to increase rents at or above the inflation rate in real estate sectors characterised by moderate supply and robust fundamentals. Conversely, sectors with high vacancy rates and excess supply pipelines (or even negative demand patterns) may see revenues fall below the inflation rate. This sector dispersion is at an all-time high (see chart on right) and therefore we feel that a quality portfolio of assets, which is well positioned, should see above trend returns in 2022 and beyond.

We also see opportunity in the real estate mezzanine debt space, particularly in the US. The mezzanine market no longer reflects the pre-global financial crisis marketplace where leverage was high and capital structures were complex. Senior lenders continue to be conservative, allowing for subordinated loans to play a crucial role in bridging the financing gap required whilst offering an attractive risk adjusted investment opportunity, with a healthy income orientated return and downside protection in the form of substantial levels of subordinated equity. Many of the loans are also floating rate allowing for protection from rising rates.

Core real estate can offer some inflation protection, on both an implicit and explicit basis. The positive correlation is in many cases through the explicit protection built into leases whereby lease rates are increased automatically every year or reviewed and adjusted in line with an inflation benchmark. This helps the income stream retain its real value. There is however some regional variation of how leases are structured to protect against inflation. Capital values may also benefit in a more explicit way if replacement values increase and thereby support capital values. There is no historical evidence that higher inflation hurts return, even when inflation leads to central bank rates hikes as we are currently seeing.

**Intra-asset class dispersion provides opportunity for strategy level alpha**  
Core/core+ real estate sector dispersion by region<sup>2</sup>



# Investment Managers' Report

## Infrastructure outlook

We expect core infrastructure assets to continue to serve as a lower risk, more forecastable source of diversification and steady income (mostly from cash distributions) through their regulated frameworks, often correlated to inflation, government concessions; and long-term contractual revenues with investment grade counterparties.

Looking at both the regulatory and inflationary environment, utilities and renewables will likely be areas we focus on. Regulated utilities typically exist within regulatory frameworks that allow for relatively explicit inflation protection via passing through costs and expenses to customers. Furthermore, given the long-term nature of ownership and the capital required to backup resiliency and decarbonisation plans, there are relatively few operators who can successfully invest in this space.

Renewables will continue to be an area of opportunity. The conflict in Ukraine has put energy independence at the heart of European political agendas and the acceleration towards renewables (from an already ambitious pace, see above chart) is key to this. Many governments have now pledged and/or increased their commitments to transitioning to a lower carbon world. For investors such as ourselves, when making long-term investments in communities' essential services, sustainability is the top priority. Investors have an obligation to a broad set of stakeholders to be a positive force in the current energy transition.

Core infrastructure investments can offer a considerable degree of inflation protection. Explicit inflation protection is the simplest to quantify and occurs when regulatory frameworks, concession agreements, and long-term contracts automatically adjust using inflation-indexing mechanisms, allowing underlying price increases to be passed on to customers and counterparties. An example of this would be for a contracted power generation company, such as a producer of renewable energy where inflation indexing in energy contracts results in higher prices achieved as the price for power increases, providing upside. Implicit inflation protection exists for many infrastructure assets, even when there is no direct linkage through contracts and regulation. These assets are often well-positioned to pass on rising costs, maybe due to monopolistic positions making it feasible to pass through higher costs, thereby protecting revenue streams while costs rise.

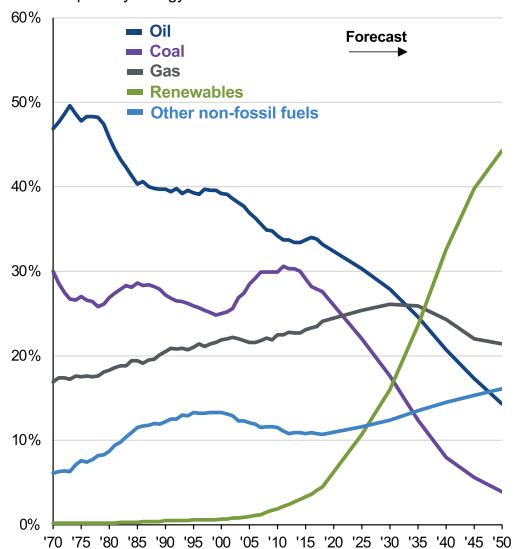
## Transport outlook

Backlogs and disruption in global supply chains, exacerbated by continued lockdowns in China, are likely to be positive for market sentiment given their beneficial impact on profits. Furthermore, we see ongoing growth in e-commerce continuing and strong consumer demands. Inflation does, however, pose some risk to this demand if consumers are required to focus more on essential spending.

In aviation, we expect domestic passenger volumes to continue improving, although questions remain about long-term trends in international and business travel. Amid concerns created by new variants of the coronavirus and dynamic border control requirements, the recovery time for international aviation remains uncertain. The market share vacated by 70-plus airline bankruptcies is being filled by fewer, larger, more stable and well-capitalised companies.

## Global energy mix

Share of primary energy



Sources: BP Energy Outlook 2020. Clarkson's Research, MSI Horizon, J.P. Morgan Asset Management Data is based on availability as of 28th February 2022.

## Investment Managers' Report

Supporting the ongoing energy transition from fossil fuels to renewables is one of the biggest opportunities we see. Transport assets can support this transition to a less carbon intensive future by increasing energy-efficiency and actively supporting certain industries. Demand for LNG is also now likely to accelerate as the UK and Europe reduce dependency on Russian hydrocarbons and look to alternative sources – with new sources of LNG likely to be key; we therefore expect LNG carriers to be in high demand.

When it comes to inflation, transportation, as an asset class, probably has the least explicit protection for investors as contract prices are often fixed throughout their life. That said, over the long-term lease rates have been correlated to inflation when they come for renewal and asset values are also well correlated owing to replacement values going up when inflation is high. As such, we see transportation as having the ability to provide some inflation protection over the medium to long term.

Investment Manager  
**J.P. Morgan Asset Management, Inc.**  
**Security Capital Research & Management Inc. and J.P. Morgan Alternative Asset Management Inc.**

1st July 2022

# Environmental, Social and Governance Report

## Introduction

JPMAM believes Environmental, Social and Governance ('ESG') considerations are fundamental to responsible, safe and ultimately economical investment in real assets. Awareness of these issues has increased significantly in recent years among investment practitioners and indeed in society at large, and the practices at JPMAM look to be at the forefront of these developments. In this report the Manager explains its approach and how it looks to be applied for the benefit of JARA's shareholders.

## What does ESG mean to JARA?

As discussed in last year's annual report, the consideration of material ESG issues should be an important part of the investment process. ESG issues will increasingly affect a company's ability to successfully operate and generate returns, today and over the long term. JARA does not follow an ESG strategy but will look to allocate capital in a way which integrates material ESG matters into the investment process and ensures that assets are managed in a responsible and safe way to ensure that returns are not materially adversely impacted in the future by these elements.

Within JARA there are two layers of portfolio management and across each of these layers ESG factors are considered. Firstly, the Alternatives Solutions Group, which is responsible for the strategic asset allocation of JARA will, in its investment process, consider how ESG risks may impact broader asset class returns and also engage with underlying investment teams on ESG factors, performance and reporting. Further to this, JPMAM has underlying teams focused on managing assets within their dedicated asset class. At this level, ESG is incorporated to identify risk through the acquisition process, ongoing management, measurement and reporting.

Systematically integrating ESG information into each stage of the investment process, including research, portfolio construction and asset engagement, where material and relevant, should contribute to achieving an enhanced financial return, through better-informed investment decisions and strengthened risk management. The term for this approach is ESG integration: using financially material ESG factors to generate enhanced risk-adjusted returns.

## JPMAM highlights – industry leading sustainable investing capabilities

JPMAM is an active manager that has, for a long time, looked to promote best in class ESG practices, both within investment portfolios and at the firm level. A small selection of the JPMAM's achievements and commitments are detailed below:



# Environmental, Social and Governance Report

## Principles of responsible investment

The Principles of Responsible Investing ('PRI') are a set of global standards for responsible investing. JPMAM has been a signatory to the PRI since 2007 and was awarded an A+ rating for the PRI's 2020 strategy and governance assessment. The 2020 Summary Scorecard is below, including JPMAM's scores for property and infrastructure investment. Note there is no PRI category for transportation.

PRI Assessment Results		JPM 2020	PRI 2020 Median
Strategy and Governance		A+	A
Equity	Listed Equity (incorporation)	A	A
	Listed Equity (active ownership)	B	B
Fixed Income	Fixed Income – SSA	A	B
	Fixed Income – Corporate Financial	B	B
	Fixed Income – Corporate Non-Financial	B	B
	Fixed Income – Securitised	B	B
Alternatives	Property	A	B
	Infrastructure	A	A
	Private Equity	A	A
	Manager Selection: Private Equity	A	A

Further to the above, please see below how ESG considerations are incorporated across each of the asset classes JARA invests in.

## Asset class approach: Real estate

### Real Estate: ESG fully integrated into the investment and asset management process

Due Diligence	<ul style="list-style-type: none"> <li>Undertake acquisition/underwriting ESG assessments to identify risks and opportunities for new investments</li> <li>Assess and evaluate alignment of ESG interests with prospective partners (JVs, property managers, suppliers)</li> <li>Incorporate the output of these initiatives into acquisition investment committee memos and decision-making</li> </ul>
Active Asset Management	<ul style="list-style-type: none"> <li>Measure and track resource usage and conservation against targets and identify areas for improvement</li> <li>Provide ESG and satisfaction surveys to all tenants to identify areas to improve tenant engagement and experience</li> <li>Integrate the output of these initiatives into annual asset business plans and budgets</li> </ul>
Governance & Transparency	<ul style="list-style-type: none"> <li>Guide and manage the accountability of our sustainability efforts through our regional ESG Taskforces</li> <li>Pursue energy ratings, green building and health/wellness certifications where feasible</li> <li>Disclose ESG performance through annual UNPRI and GRESB Assessments, Sustainability Reports, etc</li> </ul>

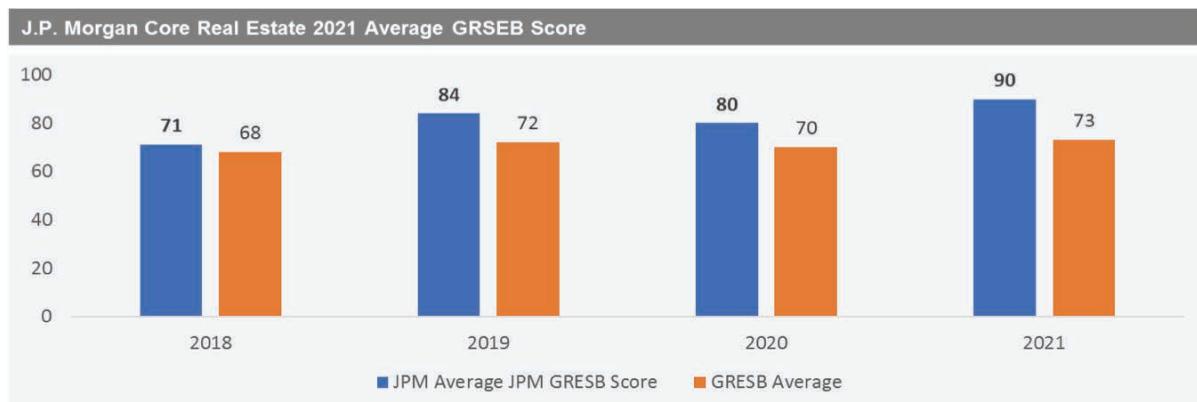
### Our ESG + R Objectives for Real Estate are summarised as follows

Environmental	Social	Governance	Resilience
<b>Conserving Resources</b> <ul style="list-style-type: none"> <li>Reduce, measure, and report building energy, emissions, water, and waste within our control</li> <li>Measure and improve performance to reduction targets</li> <li>Evaluate and implement low-cost property enhancements and capital improvements</li> <li>Evaluate and pursue energy ratings and green building certifications, where possible</li> </ul>	<b>Regularly engaging with our identified stakeholders:</b> <ul style="list-style-type: none"> <li>Investors</li> <li>Joint venture partners</li> <li>Employees</li> <li>Property managers</li> <li>Tenants</li> <li>Community</li> <li>Suppliers</li> </ul>	<b>Leadership &amp; Transparency</b> <ul style="list-style-type: none"> <li>Continuously integrate ESG+R throughout the investment process</li> <li>Disclose ESG+R strategy and performance to enhance transparency</li> <li>Lead the industry by example and guide best practices and outcomes</li> </ul>	<b>Mitigate climate-change related risk</b> <ul style="list-style-type: none"> <li>Identify and measure physical risks</li> <li>Assess and develop mitigation strategies at high-risk assets</li> <li>Analyse climate-related transition risks and opportunities</li> </ul>

# Environmental, Social and Governance Report

Alongside this, JPMAM's underlying real estate strategies submit to the Global Real Estate Sustainability Benchmark ('GRESB'). GRESB is a globally recognised assessment that measures the sustainability performance of direct real estate portfolios. The assessment collects information on ESG+ Resilience performance at the portfolio and corporate level, including but not limited to: energy and water consumption, green building certifications, sustainability risk assessments, and indicators related to governance and stakeholder engagement.

Driven by the industry, GRESB strives to encourage transparency by disclosing global sustainability accomplishments of real estate funds and companies. JPMAM strategies have participated in the annual GRESB assessment since its inception (in 2009) and there are now over 1,500 GRESB participants globally. On average JPMAM's core strategies achieved an overall score of 90, up from 80 in 2020. As illustrated below, this is a significant outperformance vs. the GRESB average.



## Asset class approach: Infrastructure

Infrastructure as an asset class involves investments that support communities and therefore the functioning of people's lives. Consideration of ESG matters therefore requires the design of sustainable and responsible business operations. Accordingly, ESG factors are considered during the due diligence of each investment opportunity and is a fundamental part of the ongoing engagement.

ESG is very broad, encompasses a wide range of practices, and can be difficult for business leaders to translate from theory into strategy, operations, culture and risk management, which is why within infrastructure we have a common language and a framework to assess material ESG risks and opportunities. We have created an 'ESG in Action' framework ('S and the five Cs'), details below, that categorises ESG into component parts that are actionable, measurable and relate to the daily activities of an organisation with its employees, customers, communities and other important stakeholders.

### ESG in Action: Safety plus the Five Cs

**Safety:** Safety is at the top of the framework because it is the highest priority for us within infrastructure and begins with having the right culture in place

- Companies are required to have appropriate health and safety initiatives for all stakeholders including employees, customers, contractors and communities

**Cyber:** Policies, processes and continuous trainings to protect company and customer data, including supply chain

- Cybersecurity and data protection initiatives at each portfolio company, protecting customer data and complying with cybersecurity laws in geographies of operation

**Community:** Provide essential services to local communities in which assets operate — our employees, customers and communities are the same people

- Proactive engagement with communities and broader stakeholders is important to continuously earn the social license to operate

**Customer:** Provide safe, clean, affordable and reliable services

- Connecting with customers to receive feedback and focus on continuous improvement; understanding customer preferences, needs and affordability of services; delivering services through any environment

**Culture:** The "glue" of an organization and a key driver of sustainable outcomes

- Strong governance is critical to implement effective ESG practices, identify risks and opportunities and achieve objectives; includes proper oversight of management, culture of transparency and alignment of incentives. Control positions in assets allow this

**Climate:** Viewed as a long-term risk at each asset and managed through governance and risk frameworks

- Building resiliency for both short-term and long-term events including transition and physical risk climate assessments

# Environmental, Social and Governance Report

In addition to this framework which provides guidance for our strategies to follow, it is worth highlighting that across our infrastructure assets we plan for a long-term path to decarbonisation. JPMAM's long-term investment and ESG management approach are aligned with reducing the carbon footprint and investing in energy transition opportunities over time. In addition to providing ongoing safe, clean, reliable, and affordable essential services to local communities, companies also strive to have a positive impact on the environment in which they operate. Critical infrastructure has many stakeholders – JPMAM looks to actively engage with regulators, government entities, customers and communities on material risks, including the companies' impact on climate change. Each company has actionable plans in place that involve reducing its environmental impact and increasing investments in renewable energy, renewable natural gas projects, hydrogen, electric vehicles and locomotives, biofuels, energy efficiencies and technology.

## Asset class approach: Transport

Within transportation we also take a consistent approach to ESG, with this being tagged as ESG integrated under JPMAM's classification. Currently there is no ESG benchmark or well-established market reporting for the transportation segment. For shipping, the International Maritime Organisation (a UN body) sets the mandatory standards for the industry (individual nations, may set higher standards for their local waters) and for aircraft industry the International Civil Aviation Organization (a UN body) does the same. As with other sectors it is expected over time that, as the industry becomes more institutionalised, investors and operators will look beyond the mandatory standards and that ESG benchmarking will become more prevalent.

Key principles of our ESG approach within transportation are detailed below:

Environmental	Social	Governance
<ul style="list-style-type: none"> <li>Target assets with modern efficient engines <ul style="list-style-type: none"> <li>Lower fuel consumption</li> <li>Lower Sulphur emissions</li> <li>Lower noise footprint</li> </ul> </li> <li>Invest in antipollution technology <ul style="list-style-type: none"> <li>Ballast water treatment systems</li> <li>Optimised hull lines</li> <li>Composites and low friction hull coatings</li> </ul> </li> <li>All assets meet ballast water management regulations ahead of 2024 deadline</li> <li>Meeting IMO 2020 regulations through the use of clean fuels</li> </ul>	<ul style="list-style-type: none"> <li>Supporting crew with the highest sanitation standards and social distancing policies</li> <li>Focused on ensuring highest level of safety for crew</li> <li>Compliance with the Maritime Labour Convention</li> <li>Compliance with STCW Convention (Standards of Training, Certification and Watch keeping for Seafarers)</li> </ul>	<ul style="list-style-type: none"> <li>Full in house KYC/AML review</li> <li>Selection of top-quality managers with best in class labour relations and safety track records</li> <li>Asset &amp; counterparty monitoring- KPIs, benchmarking, geographic positions</li> </ul>

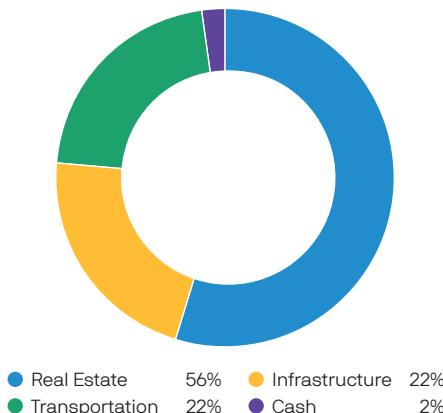
In particular, within the transportation strategy there is significant and growing exposure to assets aligned with transitioning the global economy to a cleaner future. This includes assets which are actively involved in assisting the expansion of the renewables sector such as, wind farm maintenance vessels and LNG Carriers (each cargo load from an LNG carrier can power 70,000 homes for an entire year). JPMAM also has a number of newer assets which have the technology that enables the vessels to switch from burning traditional maritime fuel to LNG. CO2 emissions from LNG are, on average, 20% lower than for traditional maritime fuel.

J.P. Morgan Asset Management, Inc.

Security Capital Research & Management Inc. and J.P. Morgan Alternative Asset Management Inc.

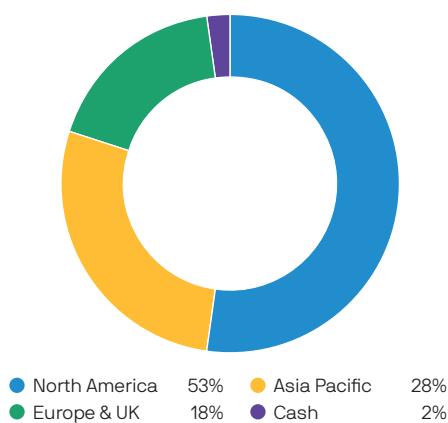
## Portfolio Information

### Asset allocation



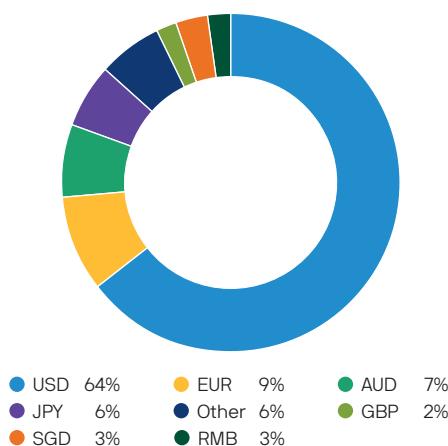
Based on underlying funds as of 28th February 2022. Leverage is based on a weighted average, look through basis to the underlying strategies. There is no leverage at the Company level.

### Geographical exposure



Based on underlying funds as of 28th February 2022. Leverage is based on a weighted average, look through basis to the underlying strategies. There is no leverage at the Company level.

### Currency exposure



Based on currency exposure as of 28th February 2022. The above include aggregated exposures at the Company level and the underlying strategies on a look though basis.

Please note that the target allocation presumes the current portfolio is fully invested as per the underlying fund strategies existing exposures. Between now and full investment these exposures are subject to change.

## Portfolio Information

## List of investments

As at 28th February 2022

Holdings which have a value of £125,000 or more are disclosed on an individual basis, holdings which have a value of less than £125,000 are disclosed in aggregate, per country, as Other investments

Company	Valuation £'000	Company	Valuation £'000
<b>Private Collective Investment Schemes</b>			
SPF FIV5 (Lux) SCSp (Strategic Property Fund		Equities (continued)	
FIV5 (Lux) SCSp) <sup>1</sup>	42,693	United States (continued)	
Global Transport Income Fund Feeder		Kilroy Realty	202
Partnership SCSp <sup>2</sup>	38,552	DiamondRock Hospitality Preference 8.25%	201
Strategic Property Fund Asia SCSp	36,665	UDR	198
IIF UK1 LP (Infrastructure Investments Fund		Matson	197
UK1 LP)	34,313	Sunstone Hotel Investors	193
U.S. Real Estate Mezzanine Debt Fund		Urstadt Biddle Properties Preference 5.88%	191
Feeder (Lux) SCSp <sup>3</sup>	8,243	Brandywine Realty	183
<b>TOTAL COLLECTIVE INVESTMENT SCHEMES</b>	<b>160,466</b>	Essex Property	177
<b>Equities</b>		LXP Industrial	177
<b>United States</b>		Pebblebrook Hotel Preference 6.38%	174
Public Storage	1,663	SBA Communications	172
Prologis	1,472	SITE Centers	170
American Homes 4 Rent	1,109	Cousins Properties	164
Equinix	989	Equity LifeStyle Properties	159
Digital Realty	939	South Jersey Industries	158
Simon Property	619	Xenia Hotels & Resorts	157
Alexandria Real Estate Equities	616	Iron Mountain	152
Vornado Realty Preference 5.25%	561	Highwoods Properties	149
Equity Residential	495	Paramount Group	144
Apartment Income	485	Ryder System	143
CubeSmart	477	Duke Energy	142
AvalonBay Communities	474	United Parcel Service	141
Kite Realty	460	Southern	140
Healthpeak Properties	431	FirstEnergy	136
Ventas	428	Forward Air	135
Boston Properties	425	Schneider National	134
Camden Property	410	National Fuel Gas	130
Invitation Homes	352	Union Pacific	126
Douglas Emmett	350	Avista	126
Life Storage	339	Other investments	4,872
Welltower	333		25,513
Host Hotels & Resorts	332	Japan	
Hudson Pacific Properties	324	Hitachi Transport System	169
SL Green Realty	313	Seibu	146
Kimco Realty Preference 5.25%	300	Electric Power Development	145
First Industrial Realty	285	NIPPON EXPRESS HOLDINGS	135
Federal Realty Investment	274	Shikoku Electric Power	131
Duke Realty	262	Kansai Electric Power	130
Regency Centers	230	Tokyo Gas	129
Macerich	223	Kyushu Railway	125
		Other investments	2,338
			3,448

## Portfolio Information

### List of investments (continued)

As at 28th February 2022

Holdings which have a value of £125,000 or more are disclosed on an individual basis, holdings which have a value of less than £125,000 are disclosed in aggregate, per country, as Other investments

Company	Valuation £'000	Company	Valuation £'000	
<b>Equities (continued)</b>				
<b>Canada</b>				
RioCan Real Estate Investment	170	Hapag-Lloyd	157	
Capital Power	147	E.ON	147	
TFI International	146	RWE	136	
Canadian National Railway	139	Deutsche Post	126	
AltaGas	138	Other investments	280	
Hydro One	136		<b>846</b>	
Emera	132	<b>Spain</b>		
Northland Power	130	Cia de Distribucion Integral Logista	139	
Algonquin Power & Utilities	129	Naturgy Energy	139	
Cominar Real Estate Investment	129	Red Electrica	128	
TransAlta Renewables	126	Other investments	433	
Other investments	999		<b>839</b>	
	<b>2,521</b>	<b>Hong Kong</b>		
<b>Australia</b>				
AGL Energy	155	Power Assets	143	
Shopping Centres Australasia Property	136	CLP	140	
Other investments	1,157	MTR	131	
	<b>1,448</b>	Other investments	339	
			<b>753</b>	
<b>United Kingdom</b>				
Drax	178	<b>Singapore</b>		
National Grid	165	Other investments	738	
SSE	155		<b>738</b>	
Severn Trent	146	<b>France</b>		
United Utilities	139	Mercialys	135	
Other investments	644	Other investments	547	
	<b>1,427</b>		<b>682</b>	
<b>Italy</b>				
Terna - Rete Elettrica Nazionale	143	Pacific Basin Shipping	193	
Italgas	136	Orient Overseas International	157	
ERG	135	CK Infrastructure	139	
A2A	134	Other investments	93	
Snam	133		<b>582</b>	
Hera	125	<b>Bermuda</b>		
Other investments	383	Pacific Basin Shipping	193	
	<b>1,189</b>	Orient Overseas International	157	
		CK Infrastructure	139	
		Other investments	93	
			<b>582</b>	
<b>Denmark</b>				
AP Moller – Maersk	149	<b>Denmark</b>		
Dfds	136	AP Moller – Maersk	149	
D/S Norden	127	Dfds	136	
		D/S Norden	127	
			<b>412</b>	
<b>Belgium</b>				
Other investments	265	<b>Belgium</b>		
	<b>265</b>	Other investments	265	

## Portfolio Information

### **List of investments (continued)**

As at 28th February 2022

Holdings which have a value of £125,000 or more are disclosed on an individual basis, holdings which have a value of less than £125,000 are disclosed in aggregate, per country, as Other investments

Company	Valuation £'000	Valuation £'000
<b>Equities (continued)</b>		
<b>Portugal</b>		
Other investments	255	
	<b>255</b>	
<b>New Zealand</b>		
Contact Energy	146	
Other investments	104	
	<b>250</b>	
<b>Finland</b>		
Other investments	211	
	<b>211</b>	
<b>Switzerland</b>		
Kuehne + Nagel International	140	
Other investments	5	
	<b>145</b>	
<b>Netherlands</b>		
PostNL	132	
	<b>132</b>	
<b>Austria</b>		
Other investments	121	
	<b>121</b>	
<b>Supranational</b>		
Other investments	112	
	<b>112</b>	
<b>Norway</b>		
Other investments	82	
	<b>82</b>	
<b>Ireland</b>		
Other investments	26	
	<b>26</b>	
<b>Sweden</b>		
Other investments	16	
	<b>16</b>	
<b>TOTAL EQUITIES</b>		<b>42,013</b>
<b>Bonds</b>		
<b>United States</b>		
Vornado Realty 2.15% 2028		294
Life Storage 4.00% 2029		164
Healthpeak Properties 2.875% 2031		154
Office Properties Income 4.50% 2025		137
Equinix Inc 1.80% 2027		129
Other investments		1,310
		<b>2,188</b>
<b>TOTAL BONDS</b>		<b>2,188</b>
<b>TOTAL INVESTMENTS<sup>4</sup></b>		<b>204,667</b>

# Company Purpose, Investment Objective, Policies and Guidelines

The aim of the Strategic Report is to provide shareholders with the ability to assess how the Directors have performed their duty to promote the success of the Company during the period under review. To assist shareholders with this assessment, the Strategic Report sets out the structure and objective of the Company, its investment policies and risk management, investment restrictions and guidelines, performance, total return, revenue and dividends, key performance indicators, share capital, Board diversity, discount, employees, social, community and human rights issues, principal and emerging risks and how the Company seeks to manage those risks and finally its long term viability.

## The Company's purpose, values, strategy and culture

The purpose of the Company is to provide a cost effective, sustainable investment vehicle for investors who seek a stable income and capital appreciation from exposure to a globally diversified portfolio of core real assets, taking account of wider issues including ESG. To achieve this, the Board of Directors is responsible for employing and overseeing an investment management company that has appropriate investment expertise, resources and controls in place to meet the Company's investment objective. To ensure that it is aligned with the Company's purpose, values and strategy, the Board comprises Directors from a diverse background who have a breadth of relevant experience and contribute in an open boardroom culture that both supports and challenges the investment management company and its other third party suppliers. For more information, please refer to page 39.

## Investment objective

The Company seeks to provide shareholders with stable income and capital appreciation from exposure to a globally diversified portfolio of core real assets.

## Structure of the Company

JARA is a non-cellular company limited by shares, incorporated under The Companies (Guernsey) Law, 2008, as amended and has been authorised by the Guernsey Financial Services Commission as a registered closed ended investment scheme.

In seeking to achieve its objective, the Company employs JPMorgan Funds Limited ('JPMF' or the 'Manager') as its Alternative Investment Fund Manager. JPMF delegates the management of the Company's portfolio to JPMorgan Asset Management (UK) Limited ('JPMAM UK') which further delegates the management to J.P. Morgan Asset Management, Inc., Security Capital Research & Management Inc. and J.P. Morgan Alternative Asset Management Inc. (collectively referred to as 'JPMAM' or the 'Investment Manager' or 'Investment Managers'). All of these entities are wholly owned subsidiaries of J.P. Morgan Chase & Co. The Board has determined an investment policy and related guidelines and limits, as described below. The Company is subject to Guernsey, UK and European legislation and

regulations (where Guernsey and the UK have voluntarily implemented legislation equivalent to that applicable in the EU) including Guernsey company law, International Financial Reporting Standards, the UK Listing Rules, Prospectus, Disclosure Guidance and Transparency Rules, the Market Abuse Regulation, taxation law and the Company's own Articles of Incorporation. The Company's underlying investments are also subject to some worldwide regulations.

## Investment policies and risk management

The Company pursues its investment objective through diversified investment in private funds or managed accounts managed or advised by JPMAM. These JPMAM products comprise 'private funds', being private collective investment schemes, and 'managed accounts', which will typically take the form of a custody account the assets in which are managed by a discretionary manager. For more information on the underlying investments and the Company's capital deployment status please refer to the Investment Manager's Report on pages 13 to 19.

### Core real assets

JPMAM defines real assets as 'core' if their cash flows are stable and forecastable for long time periods of typically five years or more with a low margin of error.

The Company currently seeks exposure to core real assets through the pursuit of the following strategies:

- (1) Global Real Estate Asset Strategy;
- (2) Global Transport Asset Strategy;
- (3) Global Infrastructure Asset Strategy;
- (4) U.S. Real Estate Mezzanine Debt Strategy; and
- (5) Global Liquid Real Asset Strategy, (together, 'real asset strategies').

The real asset strategies allow the Company to be exposed to global real estate assets, global transport assets, global infrastructure assets and global liquid real assets. Further information on these real asset strategies is set out on pages 4 to 6.

The Manager intends that the real asset strategies listed above will form the basis of the Company's portfolio in the long term. The Manager may, however, also evaluate existing and any new real asset strategies launched by JPMAM in order to assess whether the real assets concerned are suitable for the Company's portfolio and consistent with the risk and return profile of the Company from time to time. The Company may, dependent on the form of any real asset strategy, also invest in equity, equity-related instruments, debt, physical assets and/or other instruments with similar economic characteristics as such assets, with the objective of providing exposure to core real assets.

The Manager intends to make long term, strategic asset allocation decisions as between the various real asset strategies available on the JPMAM platform based on the

## Company Purpose, Investment Objective, Policies and Guidelines

perceived stability of the blended long term cash flows potentially available from such real asset strategies, coupled with adherence to an overall strategic outlook. The Manager maintains a diverse portfolio at the underlying investment level and the Company's exposure is spread across primarily OECD Countries and certain emerging markets that satisfy the risk profile of the Company from time to time, in compliance with the investment restrictions set out below. The Manager seeks to grow the income and capital value of the Company using this long term approach.

Where the Company invests in private funds it does so by subscribing for shares in new or existing funds. Such investments may require the Company to make a capital commitment that is drawn down, or called, from time to time, at the absolute discretion of the manager of that private fund.

### Investment restrictions

The Company observes the following investment restrictions when its capital is fully deployed:

Strategy	Range for Strategy Allocation (% of Assets)*
Global Real Estate Assets	20 – 50%
Global Transport Assets	10 – 30%
Global Infrastructure Assets	10 – 30%
U.S. Real Estate Mezzanine Debt Strategy	10 – 30%
Global Liquid Real Assets	0 – 30%
Cash/Cash Equivalent	0 – 10%

\*The NAV percentage allocation restriction for each real asset strategy does not take into account indirect exposure to real asset strategies through the Company's investment in global liquid real assets.

- The Company will not hold more than 30% of its assets in real asset strategies other than those listed above, which may include other assets that share similar characteristics to the allocation across real asset strategies from time to time.
- The Company will not invest or commit more than 20% of its assets in the securities, or other interests, of any single company or other entity.<sup>1</sup>
- The Company will not invest or commit more than 10% of its assets in other listed closed-ended investment companies, provided that this restriction does not apply to investments in any such listed closed-ended investment companies which themselves have published investment policies to invest no more than 15% of their total assets in other such closed-ended investment companies, in which case the limit will be no more than 15% of assets.

Each of the above restrictions will be calculated at the time of investment or commitment (as appropriate) and, where

applicable, on a look-through basis. Since these investment restrictions apply at the time of investment or commitment, the Company will not be required to rebalance its portfolio in accordance with such investment restrictions as a result of a change in the value of any investment or of the Company as a whole.

### Performance

In the year ended 28th February 2022, the Company produced a total return to shareholders of -8.9% and a total return on net assets of +12.9%. At 28th February 2022, shareholder funds amounted to £206.6 million. The Investment Managers' Report on pages 13 to 19 includes a review of developments during the year as well as information on investment activity within the Company's portfolio and the factors likely to affect the future performance of the Company.

### Total return, revenue and dividends

As detailed on page 62, gross return for the period amounted to £26.8 million (2021: £11.0 million loss) and net return after finance costs, administrative expenses and taxation, amounted to £23.7 million (2021: £12.7 million loss).

The Directors have declared quarterly interim dividends totalling 4.00p (2021: 3.25p) per ordinary share for the year which totalled £8.6 million (2021: £6.7 million). The year end retained earnings, after allowing for these dividends, amounted to £(10.5) million (2021: £(25.6) million).

### Key performance indicators ('KPIs')

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

#### ● Performance against the Company's peers

The principal objective is to achieve stable income and capital appreciation for shareholders. However, the Board also monitors performance relative to a broad range of appropriate competitor funds, both in the UK and the US.

#### ● Share price relative to NAV per share

The Board recognises that the possibility of a widening premium or discount can be a disadvantage of investment companies that can discourage investors and influence the liquidity of the Company's shares. The Board therefore has a share issuance and repurchase programme that seeks to address imbalances in supply of and demand for the Company's shares within the market and thereby reduce the volatility and absolute level of the discount or premium to NAV at which the Company's shares trade. In the year ended 28th February 2022, the shares traded between a premium of 12.2% and a discount of 11.6% (daily figures calculated to include income).

<sup>1</sup> The Company does not have the ability to control or influence investment decisions made at the JPMAM product-level but it will assess on an ongoing basis its exposure to underlying assets and it will rebalance its portfolio to ensure that its exposure in any securities, or other interests of any single company or entity, does not exceed 20% of its assets.

# Company Purpose, Investment Objective, Policies and Guidelines

## ● Ongoing charges ratio

The ongoing charges ratio represents the Company's management fee and all other operating expenses, excluding finance costs expressed as a percentage of the average daily net assets during the year. The ongoing charges ratio for the year ended 28th February 2022 was 1.35% (2021: 0.69%).

## Share capital

As disclosed in the Company's Prospectus dated 1st July 2019, the Company has the authority to allot up to one billion ordinary shares and/or C shares on a non pre-emptive basis for five years up to the date of the Company's 2024 Annual General Meeting and, therefore, no resolution authorising the allotment of ordinary shares or C shares is being proposed at this year's Annual General Meeting ('AGM'). Issuance is limited to 20% of issued share capital in a 12 month period, unless a further prospectus is issued by the Company.

During the year to 28th February 2022, the Company took advantage of its premium rating and of investor demand to issue 8,600,000 shares, raising £7,987,000 of proceeds. This reflects the Board's assessment of the benefits that come from additional share issuance, along with the short term disadvantages, not the least of which is the possible dilution of returns that can arise pending full deployment of its portfolio.

The Company has the authority to repurchase shares in the market for cancellation (or to be held in Treasury). During the year the Company did not repurchase any ordinary shares into Treasury (2021: nil) or for cancellation. A resolution to renew the authority to repurchase shares for cancellation or to be held in Treasury will be put to shareholders at the forthcoming AGM. The full text of this resolution is set out in the Notice of Meeting on page 85.

## Board diversity

At 28th February 2022, there were three male Directors and one female Director on the Board. The Directors bring a range of skills, knowledge and experience to the Board, thus bringing a diversity of thought to the Board's decision making processes. The Company has no employees.

## Employees, social, community and human rights issues

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

*JPMAM believes that companies should act in a socially responsible manner. Although our priority at all times is the best economic interests of our clients, we recognise that, increasingly, non-financial issues such as social and*

*environmental factors have the potential to impact the share price, as well as the reputation of companies. Specialists within JPMAM's environmental, social and governance ('ESG') team are tasked with assessing how companies deal with and report on social and environmental risks and issues specific to their industry. JPMAM is also a signatory to the United Nations Principles of Responsible Investment, which commits participants to six principles, with the aim of incorporating ESG criteria into their processes when making stock selection decisions and promoting ESG disclosure.*

The Manager has implemented a policy which seeks to restrict investments in securities issued by companies that have been identified by an independent third party provider as being involved in the manufacture, production or supply of cluster munitions, depleted uranium ammunition and armour and/or anti-personnel mines. Shareholders can obtain further details on the policy by contacting the Manager. Further details of the Manager's approach to ESG is set out on pages 20 to 23.

## Greenhouse gas emissions

The Company has no premises, consumes no electricity, gas or diesel fuel. Consequently, the Company does not have a net measurable carbon footprint and therefore, the Company's energy and carbon information is not disclosed in this report. JPMAM is a signatory to Carbon Disclosure Project. JPMorgan Chase is also a signatory to the Equator Principles on managing social and environmental risk in project finance. The Company is categorised as a lower energy user under the HMRC Environmental Reporting Guidelines March 2019 and is therefore not required to make the detailed disclosures of energy and carbon information set out within the guidelines.

## The Modern Slavery Act (the 'MSA')

The MSA requires companies to prepare a slavery and human trafficking statement for each financial year of the organisation. As the Company has no employees and does not supply goods and services, the MSA does not apply directly to it. The MSA requirements more appropriately relate to JPMF and JPMAM. J.P. Morgan's statement on the MSA can be found on the following link:

[www.jpmorganchase.com/content/dam/jpmc/jpmorgan-chase-and-co/documents/JPMC-Group-Statement-on-Modern-Slavery-FY2020\\_Final-w-signature.pdf](http://www.jpmorganchase.com/content/dam/jpmc/jpmorgan-chase-and-co/documents/JPMC-Group-Statement-on-Modern-Slavery-FY2020_Final-w-signature.pdf)

## Corporate criminal offence

The Company maintains zero tolerance towards tax evasion. Shares in the Company are purchased through intermediaries or brokers, therefore no funds flow directly into the Company.

## Principal and Emerging Risks

The Directors confirm that they have carried out a robust assessment of the principal risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity. With the assistance of JPMF, the Audit Committee and Market Risk Committee, chaired by Helen Green and Simon Holden, respectively, have drawn up a risk matrix, which identifies the key risks to the Company. These are reviewed and noted by the Board. The principal and emerging risks identified and the broad categories in which they fall, and the ways in which they are managed or mitigated are summarised below. The AIC Code of Corporate Governance requires the Audit Committee to put in place procedures to identify emerging risks and also provide an explanation of how these are managed or mitigated.

Principal risk	Description	Mitigating activities
<b>Investment management and performance</b>		
Discount control risk	Investment company shares often trade at discounts to their underlying NAVs, although they can also trade at a premium. Discounts and premiums can fluctuate considerably leading to volatile returns for shareholders.	The Board monitors the level of both the absolute and sector relative premium/discount at which the shares trade. The Board reviews both sales and marketing activity and sector relative performance, which it believes are the primary drivers of the relative premium/discount level. In addition, the Company has authority, when it deems appropriate, to buy back its existing shares to enhance the NAV per share for remaining shareholders and to reduce the absolute level of discount and discount volatility.
Foreign exchange risk to income	There is a risk that material sterling strength or volatility will result in a diminution of the value of income received when converted into sterling.	A decision was taken at launch not to hedge the capital value of the portfolio into sterling, nor to hedge the income generated by the portfolio into sterling. One of JARA's attributes is that it offers shareholders access to real assets globally and with this comes a global currency exposure. Whilst this currency impact has benefited the Company over the last year and post the year end, experience of recent years suggests that currency movements have a habit of reversing themselves and should represent a neutral impact for shareholder returns in the long run. The Board keeps the decision on whether to hedge the capital value or income generation under review.
Foreign exchange risk to NAV/share price volatility	There is a risk that material sterling strength or volatility will result in a volatile NAV/share price since most the Company's assets are denominated in US dollars, or in currencies which tend to be closely correlated with the dollar.	
Income generation risk	There is a risk that the Company fails to generate sufficient income from its investment portfolio to meet the Company's target annual dividend yield of 4 to 6%, based on the initial issue price of 100.0p per share.	The Board reviews quarterly detailed estimates of revenue income and expenditure prepared by the Manager and, if required, challenges the Manager as to the underlying assumptions made in earnings from the underlying strategies and the Company's expenditure. Under Guernsey company law, the Company is permitted to pay dividends despite losses provided solvency tests are performed and passed ahead of dividend declaration.
Underperformance	Poor implementation of the investment strategy, for example as to thematic exposure, sector allocation, undue concentration of holdings, factor risk exposure or the degree of total portfolio risk, may lead to the Company not achieving its investment objective of providing a stable income and capital appreciation, and/or underperformance against the Company's peer companies.	The Board manages these risks by diversification of investments and through its investment restrictions and guidelines, which are monitored and reported on by the Manager. The Manager provides the Directors with timely and accurate management information, including performance data, revenue estimates, liquidity reports and shareholder analyses.

## Principal and Emerging Risks

Principal risk	Description	Mitigating activities
<b>Operational risks</b>		
Corporate strategy and shareholder demand	<p>The corporate strategy, including the investment objectives and policies, may not be of sufficient interest to current or prospective shareholders.</p> <p>Certain buyers within the sector will only consider investing into an investment trust where its AUM is over a certain level; the Company's AUM currently stands below these levels.</p>	The Manager has a dedicated investment company sales team that engages with both existing and prospective shareholders of the Company. This engagement includes the education/description of how JARA's portfolio is invested and the exposures that this generates. The Board regularly reviews its strategy, and assesses, with its broker and Manager, shareholder demand.
Cyber crime	<p>The threat of cyber attack, in all guises, is regarded as at least as important as more traditional physical threats to business continuity and security.</p> <p>In addition to threatening the Company's operations, such an attack is likely to raise reputational issues which may damage the Company's share price and reduce demand for its shares.</p>	The Company benefits directly or indirectly from all elements of JPMorgan's Cyber Security programme. The information technology controls around physical security of JPMorgan's data centres, security of its networks and security of its trading applications, are tested by independent auditors and reported every six months against the AAF Standard.
Counterparty risk	The nature of the contractual frameworks that underpin many of the real assets within the underlying strategies necessitate close partnerships with a range of counterparties. In addition to the financial risks arising from exposure to customers, client and lenders, there are a large number of operational counterparties including construction and maintenance subcontractors. Such counterparties to which the Company is ultimately exposed will increase as the Company's assets continue to be deployed. Counterparty risk would primarily manifest itself as either counterparty failure or underperformance of contractors.	The Board is able to seek information from the Manager in relation to counterparty concentration and correlation of providers. As counterparty quality is key to maintaining predictable income streams, the Manager seeks regular contact with key counterparties throughout the supply chain and with revenue-providing counterparties, while also actively monitoring the financial strength and stability of all these entities.
Investment delay	Investment into underlying strategies could be delayed resulting in loss of expected income and capital growth opportunity.	The Manager monitors and reports to the Board on 'queue' length and the underlying pattern of deployment in the underlying strategies. Any slowing of deployment patterns is reported to Board and the income impact is modelled.
Outsourcing	Disruption to, or failure of, the Manager's accounting, dealing or payments systems or the Depositary or Custodian's records may prevent accurate reporting and monitoring of the Company's financial position or a misappropriation of assets.	<p>Details of how the Board monitors the services provided by JPM and its associates and the key elements designed to provide effective risk management and internal control are included within the Risk Management and Internal Controls section of the Corporate Governance Statement on pages 42 to 45.</p> <p>The Manager has a comprehensive business continuity plan which facilitates continued operation of the business in the event of a service disruption (including and disruption resulting from the COVID-19 pathogen). Since the introduction of the COVID-19 restrictions, Directors have received assurances that the Manager and its key third party service providers have all been able to maintain service levels.</p>

## Principal and Emerging Risks

Principal risk	Description	Mitigating activities
<b>Regulatory risks</b>		
Regulatory change	<p>Various legal and regulatory changes may adversely impact the Company and its underlying investments. This could take the form of legislation impacting the supply chain or contractual costs or obligations to which the underlying strategies are exposed. Certain investments in the underlying strategies are subject to regulatory oversight. Regular price control reviews by regulators determine levels of investment and service that the portfolio company must deliver and revenue that may be generated. Particularly severe reviews may result in poor financial performance of the affected investment.</p> <p>The Company invests in real assets via a series of private funds. The operation of these entities including their ability to be bought, held or sold by investors across a number of jurisdictions and the taxation suffered within the funds and by investors into the funds depend on a complex mix of regulatory and tax laws and regulations across a wide range of countries. These may be subject to change that may threaten the Company's access to and returns earned from the private funds.</p>	<p>The Manager and its advisers continually monitor any potential or actual changes to regulations to ensure its assets and service providers remain compliant. Most social and transportation infrastructure concessions provide a degree of protection, through their contractual structures, in relation to changes in legislation which affect either the asset or the way the services are provided. Regulators seek to balance protecting customer interests with making sure that investments have enough money to finance their functions.</p>
<b>Environmental risks</b>		
Climate change	<p>Climate change is one of the most critical emerging issues confronting asset managers and their investors. Climate change may have a disruptive effect on the business models and profitability of individual investments, and indeed, whole sectors. The Board is also considering the threat posed by the direct impact of climate change on the operations of the Manager and other major service providers.</p> <p>Although mitigated to some extent by contracted lease commitments, the Company may be exposed to substantial risk of loss from environmental claims arising in respect of its underlying real assets that have environmental problems, and the loss may exceed the value of such underlying assets. Furthermore, changes in environmental laws and regulations or in the environmental condition of investments may create liabilities that did not exist at the time of acquisition of an underlying asset and that could not have been foreseen. It is also possible that certain underlying assets to which the Company will be exposed could be subject to risks associated with natural disasters (including wildfire, storms, hurricanes, cyclones, typhoons, hail storms, blizzards and floods) or non climate related manmade disasters (including terrorist activities, acts of war or incidents caused by human error).</p>	<p>In the Company's and Manager's view, investments that successfully manage climate change risks will perform better in the long-term. Consideration of climate change risks and opportunities is an integral part of the investment process. The Manager aims to influence the management of climate related risks through engagement and voting with respect to the equity portion of the portfolio, and is a participant of Climate Action 100+ and a signatory of the United Nations Principles for Responsible Investment.</p> <p>Generally, the Manager (or, in the case of an investment made by a JPMAM product, the relevant manager) performs market practice environmental due diligence of all of the investments to identify potential sources of pollution, contamination or other environmental hazard for which such investment may be responsible and to assess the status of environmental regulatory compliance.</p>

## Principal and Emerging Risks

Emerging risk	Description	Mitigating Factor
<b>Global risks</b>		
Geopolitical risk	<p>The Company's investments are exposed to various geopolitical and macro-economic risks incidental to investing. Political, economic, military and other events around the world (including trade disputes) may impact the economic conditions in which the Company operates, by, for example, causing exchange rate fluctuations, interest rate changes, heightened or lessened competition, tax advantages or disadvantages, inflation, reduced economic growth or recession, and so on. Such events are not in the control of the Company and may impact the Company's performance.</p> <p>The crisis in Ukraine has already affected energy and commodity markets and may cause further damage to the global economy. The ongoing conflict between Russia and Ukraine has heightened the possibility that tensions will spill over and intensify geo-political unrest between other countries sharing a common border.</p>	<p>This risk is managed to some extent by diversification of investments and by regular communication with the Manager on matters of investment strategy and portfolio construction which will directly or indirectly include an assessment of these risks. The Board can, with shareholder approval, look to amend the investment policy and objectives of the Company to gain exposure to or mitigate the risks arising from geopolitical instability although this is limited if it is truly global.</p>
Technological and behavioural change	<p>The returns generated from the underlying investment strategies in which the Company is invested may be materially affected by new or emerging changes in technology which change the behaviour of individuals or corporations, or may require substantial investment in new or replacement technologies. Such changes may include the decline in demand for office space as remote working technologies become widespread, material changes in transport technologies and new technologies for the generation and transmission of energy.</p>	<p>The Board manages these risks through maintaining a diversified portfolio of investments, ensuring the underlying investment team consider these threats in portfolio construction and investment plans and are aware of the investment opportunities as well as the threats presented by these shifts in the sectors in which they invest.</p>
<b>Pandemic risks</b>		
Pandemics	<p>The emergence of COVID-19 has highlighted the speed and extent of economic damage that can arise from a pandemic. While current hopes that vaccination programmes will control the virus appear well-placed, there is the risk that emergent strains may not respond to current vaccines and may be more lethal and that they may spread as global travel opens up again.</p>	<p>The Board receives reports on the business continuity plans of the Manager and other key service providers. The effectiveness of these measures have been assessed throughout the course of the COVID-19 pandemic and the Board will continue to monitor developments as they occur and seek to learn lessons which may be of use in the event of future pandemics.</p>

## Long Term Viability

The AIC Code of Corporate Governance requires the Directors to make a statement regarding the viability of the Company, the period for which they have made the assessment and why they consider that period to be appropriate.

Taking account of the Company's current position and strategy, the principal and emerging risks that it faces and their potential impact on its future development and prospects, the Directors have assessed the prospects of the Company, to the extent that they are able to do so, over the next three years.

They have made that assessment by considering those principal and emerging risks, the Company's investment objective and strategy, current cash levels, the current and projected level of income generated by the Company, a sustainable value proposition intrinsic to the assets that make up our diverse portfolio, the investment and operational capabilities of the Manager and the current outlook for relevant markets. This work has included a review of scenarios with extreme reductions in both the liquidity of the Company's listed and fund investments and in income earned from these holdings. They have taken into account the robustness of performance to date and of the contracted future income, where, for example, the unexpired lease term on the properties held within the Company's real estate investments is currently approximately five years. In addition, particular consideration has been paid to the impact of the COVID-19 pandemic and the Russian invasion of Ukraine, where the Board has taken into account both the impact of the significant market turbulence and of the threats to the operational and investment systems.

In determining the appropriate period of assessment, the Directors consider that, given the Company's objective of providing shareholders with stable income and capital appreciation from exposure to a globally diversified portfolio of core real assets, shareholders should consider the Company as a long term investment proposition. The Company, in the majority, targets core assets whose cash flows are stable and forecastable for periods of typically three years or more with a low margin of error. Thus, the Directors consider three years to be an appropriate time horizon to assess the Company's viability.

The Directors confirm that, taking account of the Company's risk profile set out in note 21 on pages 75 to 81, and other factors set out under this heading, they remain confident in the fundamentals of the markets in which the Company has invested and will invest, and have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the three-year period to February 2025.

By order of the Board

**Alison Vincent, for and on behalf of JPMorgan Funds Limited**  
Secretary

1st July 2022

## Duty to Promote the Success of the Company

The Company is not required to comply with the provisions of the UK Companies Act 2006, however, it is a requirement of the AIC Code of Corporate Governance to report upon Section 172 of this statute. Section 172 of the Companies Act 2006 requires that a Director must act in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members (i.e. shareholders) as a whole and in doing so, have regard (amongst other matters) to the likely consequences of any decision in the long term; the need to foster the Company's business relationships with suppliers, customers and others; the impact of the Company's operations on the community and the environment; the desirability of the Company maintaining a reputation for high standards of business conduct; and the need to act fairly as between members of the Company.

The Board is responsible for all decisions relating to the Company's investment objective and policies, gearing, discount management, corporate governance and strategy, and for monitoring the performance of the Company's third party service providers, including the Manager. The

Board's philosophy is that the Company should foster a culture where all the Company's stakeholders are treated fairly and with respect and the Board recognises the importance of acting fairly between them, front of mind in its key decision making. As an externally managed investment company with no employees, the Board considers that the Company's key stakeholders are its shareholders, its Manager, its underlying investments, and its other professional third party service providers (corporate broker, administrator, registrar, auditor, custodian and depositary) and wider society. The Board believes the best interests of the Company are aligned with those of these key stakeholders as all parties wish to see and ultimately benefit from the Company achieving its investment objectives whilst carrying on business in compliance with the highest possible regulatory, legal, ethical and commercial standards.

The table below sets out details of the Company's engagement with these stakeholders:

### Stakeholder Engagement

#### Shareholders

Continued shareholder engagement is critical to the continued existence of the Company and the successful delivery of its long term strategy. The Board is focused on fostering and maintaining good working relationships with shareholders and understanding the views of shareholders in order to incorporate them into the Board's strategic thinking and objectives. Full details on how the Board ensures it is fully appraised of shareholder views and how it engages with all shareholder groups can be found on pages 43 and 44.

The Board also monitors the discount or premium to NAV at which the shares trade and secondary market liquidity in absolute terms and in comparison with peer group companies as these factors are an important contributor to current shareholders' returns and to the appeal of the Company to future investors.

#### Manager

The principal service provider is the Manager, in particular the investment management team who are responsible for managing the Company's assets in order to achieve its stated investment objective. The Board maintains a good working relationship with the Manager, who also provides administrative support and promotes the Company through its investment company sales and marketing teams. The Board monitors the Company's investment performance at each Board Meeting in relation to its objective and also to its investment policy and strategy. The Board also maintains strong lines of communication with the Manager via its dedicated company secretary and client director whose interactions extend well beyond the formal business addressed at each Board and Committee meeting. This enables the Board to remain regularly informed of the views of the Manager and the Company's shareholders (and vice versa).

#### Investee companies and funds

The Board is committed to responsible investing and monitors the activities of its underlying investments through its delegation to the Manager. In order to achieve this, the Manager has discretionary powers to exercise voting rights on behalf of the Company on all resolutions proposed by the listed equity investments within the portfolio (full details can be found in the ESG report on pages 20 to 23). The Board monitors the investment activity undertaken by the Manager and within the underlying funds and strategies in which the Company invests. In-depth analysis and questioning of the investment teams is carried out regularly in the course of scheduled Board meetings and ahead of new material commitments into underlying funds. This questioning extends beyond pure investment strategy and addresses the operational and financial risk appetites and mitigation in place alongside key non-financial factors such as the approach to ESG, engagement with asset users, tenants or lessees and engagement with operating partners and service providers.

## Duty to Promote the Success of the Company

### Other key service providers

The Board ensures that it promotes the success of the Company by engaging specialist third party suppliers, with appropriate capability, performance records, resources and controls in place to deliver the services that the Company requires for support in meeting relevant obligations and safeguarding the Company's assets. For this reason, the Board consider the Company's Administrator, Custodian, Depository, Registrar, Auditor and Broker to be stakeholders. The Board maintains regular contact with its key external service providers, either directly, or via its dedicated company secretary or client director, and receives regular reporting from these providers at Board and Committee meetings. The Board meets annually to complete a formal review and appraisal of its key service providers.

### Wider society and the environment

Whilst strong long term investment performance is essential for an investment company, the Board recognises that to provide an investment vehicle that is sustainable over the long term, both it and the Manager must have regard to ethical and environmental issues that impact society. Hence environmental, social and governance ('ESG') considerations are integrated into the Manager's investment process and will continue to evolve. Further details of the Manager's integrated approach to ESG can be found on pages 20 to 23.

The Directors confirm that they have considered their duty under Section 172 when making decisions during the financial year under review. Key decisions and actions during the year which have required the Directors to have regard to applicable section 172 factors include:

### Key Decisions and Actions

#### Dividends payable to shareholders

The Company intends to provide investors with stable income and capital appreciation through exposure to a globally diversified portfolio of core real assets in accordance with the Company's investment policy.

Over the year the Board noted the robust income generation from the underlying portfolio, reflecting the muted impact, to date, of COVID-19 and the Russian invasion of Ukraine on revenue receipts. Its robustness speaks to the strength of the underlying teams' investment approaches, the diversified overall portfolio construction and the defensive nature of the assets owned by the Company.

The Board declared a fourth quarterly interim dividend of 1 penny per share in respect of the Company's financial year ending 28th February 2022. This declared dividend brought the forward yield on a constant basis to 4 pence per share and as the portfolio is now fully invested the Board expects the level of income to increase further and will assess the dividend levels which, in the absence of unforeseen circumstances, it expects to be within the target range of 4 to 6% yield on issue price as set out in the Company's IPO prospectus.

#### Share issuance

Ensuring both that liquidity is maintained for the Company's shares and that an excessive premium to NAV does not develop in the Company's share price rating are important to shareholders. The Company has issued approximately 8 million new shares during the year at a premium to NAV. This policy provides liquidity, is accretive to the NAV of existing Shareholders and also helps moderate share price volatility.

#### Addition of new underlying investment fund

In pursuing the Company's investment objective the Board reviews the range of strategies and funds operated by the Manager and the extent to which they can support or enhance the ability of the Company to achieve these objectives. Over the course of the year the Board, following review by the Market Risk Committee, identified the Manager's Mezzanine investment strategy as a suitable additional investment by the Company, offering attractive income, return and volatility characteristics. An initial commitment into this strategy was completed in the financial year under review. However, the Company's committed capital was called and funded into the strategy in the Company's financial year ending 28th February 2023.

By order of the Board

Alison Vincent, for and on behalf of  
JPMorgan Funds Limited,  
Secretary

1st July 2022



## Board of Directors



**John Scott (Chairman)**

A Director since 2019.

**Last reappointed to the Board:** 2021.

**Remuneration :** £60,000.

Mr Scott is a former investment banker who spent 20 years with Lazard and is currently a director of several investment trusts and was, until 2017, Chairman of Scottish Mortgage Investment Trust PLC (the UK's largest investment trust and a FTSE 100 company). He is also Chairman of Alpha Insurance Analysts and Impax Environmental Markets plc. In addition to those stated above, Mr Scott is also a director of Bluefield Solar Income Fund Limited. Former director of JPMorgan Claverhouse Investment Trust plc.

**Shared directorships with other Directors:** None.

**Shareholding in Company:** 170,000.



**Helen Green (Chair of the Audit Committee)**

A Director since 2019.

**Last reappointed to the Board:** 2021.

**Remuneration :** £50,000.

Mrs Green, a Guernsey resident, is a chartered accountant and has been employed by Saffery Champness, a top 20 firm of chartered accountants, since 1984. She qualified as a chartered accountant in 1987 and became a partner in the London office in 1998. Since 2000 she has been based in the Guernsey office where she is Client Liaison Director, responsible for trust and company administration. She is Chairman of CQS Natural Resources Growth and Income plc and a director of abrdn China Investment Company Limited and Landore Resources Limited. She is a member of the Guernsey Investment Funds Association (GIFA) NED Committee and of the Guernsey NED Forum.

**Shared directorships with other Directors:** None.

**Shareholding in Company:** 10,000.



**Simon Holden (Chair of the Market Risk Committee and Senior Independent Director)**

A Director since 2019.

**Last reappointed to the Board:** 2021.

**Remuneration :** £54,000.

Mr Holden, a Guernsey resident, brings board experience from both private equity and portfolio company operations roles at Candover Investments then Terra Firma Capital Partners. Since 2015, he has become an active independent director on listed alternative investment companies (HICL Infrastructure Plc, Hipgnosis Songs Fund Limited, Trian Investors 1 Limited and Chrysalis Investments Limited), private equity funds and trading company boards. In addition, he acts as the pro-bono Business Advisor to Guernsey Ports; a States of Guernsey enterprise that operates all of the Bailiwick's critical airport and harbour infrastructure.

He is a Chartered Director (CDir) accredited by the Institute of Directors, graduated from the University of Cambridge with an MEng and MA (Cantab) in manufacturing engineering and is an active member of Guernsey's GIFA, NED Forum and IP Commercial Group.

**Shared directorships with other Directors:** None.

**Shareholding in Company:** 50,000.



**Chris Russell (Chair of the Nomination Committee)**

A Director since 2019.

**Last reappointed to the Board:** 2020.

**Remuneration :** £42,000.

Mr Russell, a Guernsey resident, is non-executive chairman of Ruffer Investment Company Ltd and a non-executive director of Hanseatic Asset Management LBG and Les Cotils Charitable Company LBG. He was former chairman of the London listed F&C Commercial Property Trust Limited, Macau Property Opportunities Fund Limited and a former non-executive director of HICL Infrastructure Company Limited, JPMorgan Fleming Japan Smaller Companies Investment Trust Plc and director of Gartmore Investment Management Plc, where he was Head of Gartmore's businesses in the US and Japan, after being a holding board director of the Jardine Fleming Group in Asia. He is a Fellow of the UK Society of Investment Professionals and a Fellow of the Institute of Chartered Accountants in England and Wales.

**Shared directorships with other Directors:** None.

**Shareholding in Company:** 100,000.

# Directors' Report

The Directors present their Annual Report & Financial Statements for the year ended 28th February 2022.

## Management of the Company

The Manager and Company Secretary is JPMF, a company authorised and regulated by the FCA. JPMF is a wholly-owned subsidiary of JPMorgan Chase Bank which, through other subsidiaries, also provides marketing, banking and dealing services to the Company. Custodian services are provided by a JPMorgan Chase Bank subsidiary, via a contract with the Company's depositary.

The Investment Management Agreement is subject to an initial period of five years and thereafter will continue until terminated at any time by either party giving to the other not less than six months' written notice. The Company may also terminate the Investment Management Agreement with immediate effect on the occurrence of certain circumstances, including: if JPMF commits a material breach which is not remedied within a 30 day grace period; certain insolvency events occurring; if required by an applicable regulatory authority; if JPMF ceases to be authorised under FSMA; or if JPMF ceases to maintain its permission with the FCA to act as an AIFM.

The Board has thoroughly reviewed the performance of JPMF in the course of the year. The review covered the performance of the Manager, its management processes, investment style, resources and risk controls and the quality of support that the Company receives from JPMF and is satisfied on all fronts. The Board is of the opinion that the continuing appointment of the Manager is in the best interests of shareholders as a whole. Such a review is carried out on an annual basis.

## The Alternative Investment Fund Managers Directive ('AIFMD')

JPMF is the Company's alternative investment fund manager ('AIFM'). JPMF has been approved as an AIFM by the FCA. For the purposes of the AIFMD the Company is an alternative investment fund ('AIF').

JPMF has delegated responsibility for the day to day management of the Company's portfolio to JPMAM UK which further delegates the management to JPMorgan Asset Management, Inc., Security Capital Research & Management Inc. and J.P. Morgan Alternative Asset Management Inc. The Company has appointed Bank of New York Mellon (International) Limited ('BNY') as its depositary. BNY has appointed JPMorgan Chase Bank, N.A. as the Company's custodian. BNY remains responsible for the oversight of the custody of the Company's assets and for monitoring its cash flows.

The AIFMD requires certain information to be made available to investors in AIFs before they invest and requires that material changes to this information be disclosed in the annual report of each AIF. An Investor Disclosure Document, which sets out information on the Company's investment strategy and policies, leverage, risk, liquidity, administration, management, fees, conflicts of interest and other

shareholder information is available on the Company's website at [www.jpmrealassets.co.uk](http://www.jpmrealassets.co.uk). There have been no material changes (other than those reflected in these financial statements) to this information requiring disclosure. Any information requiring immediate disclosure pursuant to the AIFMD will be disclosed to the London Stock Exchange through a primary information provider.

The Company's leverage and JPMF's remuneration disclosures are set out on page 83.

## Dividends

Details of the Company's dividend policy and payments are shown on pages 11 and 29 of this Report.

## Management fees

JPMF is entitled to receive from the Company a management fee in respect of that part of the Company's net asset value which is invested in JPMAM products, calculated at the rate of 0.05% per annum. The Company's investments in the JPMAM products also bear the management fee charged by the relevant manager at the level of the relevant JPMAM product (the 'underlying management fees'). The total overall management fee payable to JPMAM is the aggregate of the management fee and the underlying management fees. No management fee is charged on uninvested assets held in cash or cash equivalents.

The total overall management fee borne by the Company, including management fees incurred in the underlying funds, is currently 0.93% per annum, falling on a tiered basis to 0.81% per annum if the Company's NAV is £1 billion or more, based on the initial portfolio, as set out in the table below:

Company's NAV invested in JPMAM Products	Total Overall Management Fee
£100m	0.93%
£300m	0.91%
£500m	0.86%
£1,000m	0.81%

The element of the management fees payable by the Company to JPMF is calculated and paid quarterly, in arrears, based on the last published net asset value and based on the Company's portfolio allocation as at the date on which the last published net asset value was calculated.

## Directors

The Directors of the Company who held office at the end of the year are detailed on page 39. The Company's Articles of Incorporation require that at each annual general meeting of the Company all Directors will retire from office and each Director may offer himself for election or re-election by the shareholders. All Directors will be standing for re-election at the Company's forthcoming AGM.

# Directors' Report

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

## Director indemnification and insurance

As permitted by the Company's Articles of Incorporation, the Directors have the benefit of an indemnity which is a qualifying third party indemnity. The indemnity was in place during the period and as at the date of this report.

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

## Disclosure of information to auditor

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

- (a) so far as each of the Directors is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- (b) each of the Directors has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information (as defined) and to establish that the Company's auditor is aware of that information.

## Independent auditor

PricewaterhouseCoopers CI LLP has expressed its willingness to continue in office as Auditor to the Company and a resolution proposing its reappointment and authorising the Directors to determine its remuneration for the ensuing year will be put to shareholders at the AGM.

## Capital structure and voting rights

### Capital structure

The Company's capital structure is summarised on the inside front cover of this report.

### Voting rights in the Company's shares

Details of the voting rights in the Company's shares as at the date of this report are given in note 15 to the Notice of AGM on page 87.

### Notifiable interests in the Company's voting rights

At the date of this report, the following had declared a notifiable interest in the Company's voting rights:

Shareholders	Number of voting rights	% voting
Quilter Plc	34,062,337	15.7%
Brewin Dolphin Ltd	15,619,954	7.2%
JPMorgan Asset Management Holdings Inc	11,945,738	5.5%

## Miscellaneous information

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

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

## Listing rule 9.8.4R

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

## Annual general meeting

The notice covering the AGM of the Company to be held on Friday, 5th August 2022 is given on pages 85 to 87. The full text of the Resolutions is set out in this notice.

Resolutions relating to the following items of special business will be proposed at the forthcoming AGM:

### (i) Authority to repurchase the Company's shares (Resolution 9)

A resolution will be proposed at the AGM that the Company be authorised to repurchase in the market up to 14.99% of the Company's issued share capital as at the date of the passing of the resolution.

If resolution 9 is passed at the AGM, shares repurchased might not be cancelled but rather held as treasury shares. The Company does not have authority to re-issue shares from treasury at a discount to NAV, therefore any reissue of shares from treasury would be at a premium to the prevailing NAV.

The full text of the resolution is set out in the Notice of Meeting on page 85. Repurchases will be made at the discretion of the Board and will only be made in the market at prices below the prevailing NAV per share, thereby enhancing the NAV of the remaining shares as and when market conditions are appropriate.

### (ii) Approval of dividend policy (resolution 10)

The Directors seek approval of the Company's dividend policy to continue to pay four quarterly interim dividends during the year.

# Corporate Governance Statement

## Recommendation

The Board considers that resolutions 9 and 10 are likely to promote the success of the Company and are in the best interests of the Company and its shareholders as a whole. The Directors unanimously recommend that shareholders vote in favour of the resolutions as they intend to do in respect of their own beneficial holdings which amount in aggregate to 330,000 shares, representing approximately 0.2% of the existing issued share capital of the Company.

## Corporate governance statement

### Compliance

The Board is committed to high standards of corporate governance. It has considered the principles and provisions of the AIC Code of Corporate Governance published in 2019 (the 'AIC Code'), which addresses the principles and provisions set out in the UK Corporate Governance Code (the 'UK Code') published in 2018, as they apply to investment companies. It considers that reporting against the AIC Code, which has been endorsed by the UK Financial Reporting Council and the Guernsey Financial Services Commission, provides appropriate information to the Company's shareholders. The Board confirms that the Company has complied with the principles and provisions of the AIC Code, in so far as they apply to the Company's business, throughout the year under review. As all of the Company's day-to-day management and administrative functions are outsourced to third parties, it has no executive directors, employees or internal operations and therefore has not reported in respect of the following:

- the role of the executive directors and senior management;
- executive directors' and senior management remuneration; and
- the workforce.

Copies of the UK Code and AIC Code may be found on the respective organisations' websites: [www.frc.org.uk](http://www.frc.org.uk) and [www.theaic.co.uk](http://www.theaic.co.uk)

### Role of the Board

A management agreement between the Company and JPMF sets out the matters over which the Manager has delegated authority. This includes management of the Company's assets within the guidelines established by the Board from time to time and the provision of accounting, company secretarial, administration and some marketing services. All other matters are reserved for the approval of the Board. A formal schedule of matters reserved to the Board for decision has been approved. This includes determination and monitoring of the Company's investment objectives and policy and its future strategic direction, gearing policy, management of the capital structure, appointment and removal of third party service providers, review of key

investment and financial data and the Company's corporate governance and risk control arrangements.

The Board meets on at least five occasions each year and additional meetings are arranged as necessary. Full and timely information is provided to the Board to enable it to function effectively and to allow Directors to discharge their responsibilities. The Board visited the Manager's New York offices in 2022. Further information on meetings and committees can be found below.

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

There is an agreed procedure for Directors to take independent professional advice in the furtherance of their duties and at the Company's expense. This is in addition to the access that every Director has to the advice and services of the Company Secretary, JPMF, which is responsible to the Board for ensuring adherence to Board procedures and compliance with applicable rules and regulations.

### Board composition

All of the Directors held office throughout the year under review and will stand for reappointment at the forthcoming AGM. The skills and experience that each Director brings to the Board, and hence why their contributions are important to the long term success of the Company, are detailed on page 39.

The Board, having considered their qualifications, performance and contribution to the Board and its committees, confirms that each Director proposed for reappointment continues to be effective and demonstrates commitment to the role and the Board recommends to shareholders that they be reappointed.

### Tenure

Directors are initially appointed until the following annual general meeting when, under the Company's Articles of Incorporation, it is required that they be elected by shareholders. Thereafter, subject to the performance evaluation carried out each year, the Board will agree whether it is appropriate for each Director to seek re-election. In accordance with corporate governance best practice, Directors continuing in office seek annual re-election and no Director, including the Chairman, will seek re-election after having served for nine years on the Board other than in exceptional circumstances for the benefit of the Company. The Board keeps plans for its orderly succession and refreshment under continual review.

A list of potential conflicts of interest for each Director is maintained by the Company. These are considered carefully, taking into account the circumstances surrounding them, and, if considered appropriate, are approved.

# Corporate Governance Statement

## Induction and training

On appointment, the Manager and Company Secretary provide all Directors with induction training. Thereafter, regular briefings are provided on changes in law and regulatory requirements that affect the Company and Directors. Directors are encouraged to attend industry and other seminars covering issues and developments relevant to investment companies. Reviews of the Directors' training needs will be carried out by the Board by means of the evaluation process described below.

## Meetings and committees

The Board delegates certain responsibilities and functions to committees. Details of membership of committees are shown with the Directors' profiles on page 39.

The table below details the number of formal Board and Committee meetings held during the year. All Directors were in attendance on each occasion.

	Market			
	Audit	Risk	Nomination	Committee
Board	Committee	Committee	Committee	Committee
John Scott	5	3	1	1
Helen Green	5	3	1	1
Simon Holden	5	3	1	1
Chris Russell	5	3	1	1

As well as the formal meetings detailed above, the Board meets on a quarterly basis to discuss and approve dividend payments and communicates frequently by email, videoconference or telephone to deal with day to day matters as they arise. The Board has recently spent three days with the investment teams and key personnel in New York, having been prevented from doing so since the launch of the Company because of the pandemic.

## Board committees

### Nomination committee

The Nomination Committee, chaired by Chris Russell, consists of all of the Directors and meets at least annually. The Nomination Committee reviews the composition, structure and diversity of the Board, succession planning, the independence of the Directors and whether each Director has sufficient time available to discharge their duties effectively. The Committee confirms that it believes that the Board has an appropriate balance of skills and experience, that all Directors should be considered as independent in accordance with the provisions of the AIC Code of Corporate Governance.

The Board's policy on diversity, including gender, is to take account of the benefits of this during the appointment process. The Board remains committed to appointing the most appropriate candidate and seeks to ensure that it does not unwittingly exclude any group. Therefore, no targets have been set against which to report.

The Committee conducts an annual performance evaluation of the Board, its committees and individual Directors to ensure that all Directors have devoted sufficient time and contributed adequately to the work of the Board and its Committees. The evaluation of the Board considers the balance of experience, skills, independence, corporate knowledge, its diversity, and how it works together.

The evaluation of individual Directors is led by the Chairman. The Senior Independent Director leads the evaluation of the Chairman's performance, which includes an appraisal of his Board leadership and effectiveness in the role.

### Market risk committee

The Market Risk Committee, chaired by Simon Holden, consists of all the Directors and will normally meet at least twice a year, however, in the financial year under review the Committee only met once as one meeting fell into the new financial year. Additionally the Market Risk Committee meets ahead of initial capital deployment into the underlying private strategies to complete a risk assessment. The Committee has the responsibility for overseeing the market risk in relation to the Investment Policy. The Market Risk Committee is tasked with analysing and assessing the Company's risk assessment policies with a view to updating the policies where relevant and making sure they remain fit for purpose in the current market. The Market Risk Committee also assesses the performance of the Investment Manager in addressing the Company's key risks.

### Audit committee

The report of the Audit Committee is set out on pages 46 and 47.

### Terms of reference

The Nomination, Market Risk and Audit Committees have written terms of reference which define clearly their respective responsibilities, and copies of which are available on the Company's website and for inspection on request at the Company's registered office.

### Relations with shareholders

The Board regularly monitors the shareholder profile of the Company. It aims to provide shareholders with a full understanding of the Company's activities and performance and will report formally to shareholders twice a year by way of the Annual Report & Financial Statements and the Half Year Report. This is supplemented by the quarterly publication, through the London Stock Exchange and the Company's factsheet, of the net asset value of the Company's shares.

In normal circumstances, shareholders have the opportunity, and are encouraged, to attend the Company's annual general meeting, at which the Directors and representatives of the Manager are available in person to meet shareholders and answer their questions.

During the period the Company's Manager held regular discussions with larger shareholders and made the Board fully aware of their views. The Chairman and Directors made

# Corporate Governance Statement

themselves available as and when required to support these meetings and to address shareholder queries. The Directors may be contacted through the Company Secretary whose details are shown on page 91.

The Company's Annual Report & Financial Statements is published in time to give shareholders at least 20 working days' notice of the annual general meeting. Shareholders who cannot attend the meeting but wish to raise questions in advance of the meeting are encouraged to write to the Company Secretary at the address shown on page 91.

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

## Risk management and internal control

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

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

Since investment management, custody of assets and all administrative services are provided to the Company by JPMF and its associates, the Company's system of risk management and internal control mainly comprises monitoring the services provided by the Manager and its associates, including the operating controls established by them, to ensure that they meet the Company's business objectives. There is an ongoing process for identifying, evaluating and managing the significant risks faced by the Company (see Principal and Emerging Risks on pages 31 to 34). This process has been in place for the period under review and up to the date of the approval of the Annual Report & Financial Statements and it accords with the Financial Reporting Council's guidance. Given the foregoing, and in common with most investment trust companies, the Company does not have an internal audit function of its own. The Manager's internal audit department conducts regular and rigorous reviews of the various functions within its asset management business. Any significant findings that are relevant to the Company and/or the Manager's investment trust business are reported to the Board. The key elements designed to provide effective internal control are as follows:

**Financial reporting** – Regular and comprehensive review by the Board of key investment and financial data, including

revenue projections, analysis of transactions and performance comparisons.

**Management agreement** – Evaluation and appointment of a manager and custodian regulated by the FCA, whose responsibilities are clearly defined in a written agreement.

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

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

The Board keeps under review the effectiveness of the Company's system of risk management and internal control by monitoring the operation of the key operating controls of the Manager and its associates as follows:

- the Board, through the Audit Committee, reviews the terms of the investment management agreement and receives regular reports from JPMorgan's Compliance department;
- the Board reviews a report, which is also independently reviewed, on the internal controls and the operations of its custodian, JPMorgan Chase Bank;
- the Board reviews every six months a report from the Company's Depositary, Bank of New York Mellon (International) Limited, which summarises the activities performed by the Depositary during the reporting period; and
- the Board reviews every six months an independent report on the internal controls and the operations of JPMF's investment trust department.

By means of the procedures set out above, the Board confirms that it has reviewed the effectiveness of the Company's system of risk management and internal control for the year ended 28th February 2022, and to the date of approval of the Annual Report & Financial Statements.

During the course of its review of the system of risk management and internal control, the Board has not identified nor been advised of any failings or weaknesses which it has determined to be significant. Therefore a confirmation in respect of necessary actions has not been considered appropriate.

## Going concern

The Directors believe that having considered the Company's investment objective (see page 28), risk management policies (see pages 75 to 81), capital management policies and procedures (see page 81), the nature of the portfolio and expenditure projections, the Company has adequate resources, an appropriate financial structure and suitable

# Corporate Governance Statement

management arrangements in place to continue in operational existence for a period of at least 12 months from the date of approval of these financial statements. They have not identified any material uncertainties to the Company's ability to continue to do so over a period of at least 12 months from the date of approval of these financial statements. This conclusion follows a review of scenarios with extreme reductions in both the liquidity of the Company's listed and fund investments and in income earned from these holdings. The Board has taken into account the robustness of performance to date and of the contracted future income, where, for example, the unexpired lease term on the properties held within the Company's real estate investments is currently approximately five years. In addition, particular consideration has been paid to the impact of the COVID-19 pandemic and more recently the Russian invasion of Ukraine where the Board has taken into account the impact both of the significant market turbulence and of the threats to the operational and investment systems arising from these events.

## Corporate governance and voting policy

The Company delegates responsibility for voting to JPMAM. The following information in *italics* is a summary of JPMAM's policy statements on corporate governance, voting policy and stewardship/engagement issues, which has been reviewed and noted by the Board. Details on social and environmental issues are included in the Strategic Report on page 30.

### Corporate governance

*JPMAM believes that corporate governance is integral to its investment process. As part of its commitment to delivering superior investment performance to clients, it expects and encourages the companies in which it invests to demonstrate the highest standards of corporate governance and best business practice. JPMAM examines the share structure and voting structure of the companies in which it invests, as well as the board balance, oversight functions and remuneration policy. These analyses then form the basis of JPMAM's proxy voting and engagement activity.*

### Proxy voting

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

### Stewardship/engagement

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

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

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

JPMAM's Voting Policy and Corporate Governance Guidelines are available on request from the Company Secretary or can be downloaded from JPMAM's website: <https://am.jpmorgan.com/uk/institutional/corporate-governance> which also sets out its approach to the seven principles of the FRC Stewardship Code, its policy relating to conflicts of interest and its detailed voting record.

By order of the Board

**Alison Vincent, for and on behalf of  
JPMorgan Funds Limited,  
Secretary**

1st July 2022

## Audit Committee Report

### Audit committee report

The Audit Committee, chaired by Helen Green, consists of all Directors, and meets at least twice each year. Given the size of the Board it has been determined that the Chair of the Board, John Scott, should be a member of the Audit Committee. The members of the Audit Committee consider that at least one member has recent and relevant financial experience and that the Committee as a whole has competence relevant to the sector in which the Company operates.

The Committee reviews the actions and judgements of the Manager in relation to the Half Year and Annual Report & Financial Statements and the Company's compliance with the AIC Code. It examines the effectiveness of the Company's internal control systems, receives information from the Manager's Compliance department and also reviews the scope and results of the external audit, its cost effectiveness and the independence and objectivity of the external Auditor. The Audit Committee has reviewed the independence and objectivity of the Auditor and is satisfied that the Auditor is independent. The Audit Committee also has the primary responsibility for making recommendations to the Board on the reappointment and the removal of the external Auditor.

### Financial statements and significant accounting matters

During its review of the Company's financial statements for the year ended 28th February 2022, the Audit Committee considered the following significant accounting matters, including those communicated by the Auditor during its reporting:

Significant issue	How the issue was addressed
Valuation, existence and ownership of investments	The valuation of investments is undertaken in accordance with the accounting policies, disclosed in note 2 to the financial statements. In relation to private collective investment schemes, the Audit Committee relies upon the audited financial statements and quarterly valuations from the underlying private fund investments. Given that the underlying private collective investment schemes do not have contemporaneous reporting periods with that of the Company, these are adjusted based on material changes in benchmarks and other industry data, FX movements and net income generation, to obtain an estimated valuation at the period end for the Company's reporting requirements.

Significant issue	How the issue was addressed
Valuation, existence and ownership of investments (continued)	From the Company's year ended 28th February 2021 going forward, the Company has engaged BDO LLP to assist with the valuation process for the Company's holdings in its private collective investment schemes. The valuations produced by the Manager and using input from BDO LLP are ultimately approved by the Board.
Calculation of management fees	The Company has appointed Bank of New York Mellon (International) Limited ('BNY') as its depositary. BNY has appointed JPMorgan Chase Bank, N.A., as the Company's custodian. BNY remains responsible for the oversight of the custody of the Company's assets. A representative from BNY reports directly to the Audit Committee on an annual basis.
Recognition of investment income	The recognition of investment income is undertaken in accordance with accounting policy note 2.9 to the financial statements. Income recording is conducted by the Manager and the methodology is reported upon to the Board within a six monthly independent report on the operations of the Manager.

### Auditor appointment and tenure

Representatives of the Company's Auditor, PricewaterhouseCoopers CI LLP, attended the Audit Committee meeting at which the draft Annual Report & Financial Statements were considered and also engage with Directors as and when required. Having reviewed the performance of the external Auditor, including assessing the quality of work, timing of communications and work with the Manager, the Committee considered it appropriate to recommend its reappointment. The Board supported this recommendation which will be put to shareholders at the forthcoming AGM. The Board reviews and approves any non-audit services provided by the independent Auditor and assesses the impact of any non-audit work on the ability of the Auditor to remain independent. Details of the Auditor's fees paid for audit are disclosed in note 7 on page 70. No non-audit services have been provided by the Auditor in the current year (2021: £nil).

## Audit Committee Report

The current tenure of the external Auditor dates from the inception of the Company, accordingly the Auditor's current engagement leader has been in the position since the period ended 29th February 2020.

### **Fair, balanced and understandable**

As a result of the work performed, the Committee has concluded that the Annual Report & Financial Statements for the year ended 28th February 2022, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's position and performance, business model and strategy, and has reported on these findings to the Board. The Board's conclusions in this respect are set out in the Statement of Directors' Responsibilities on page 52.

**Helen Green**  
Audit Committee Chair

1st July 2022



# Directors' Remuneration Report

The Board presents the Directors' Remuneration Report for the year ended 28th February 2022.

As all of the Directors are non-executive, the Board has not established a Remuneration Committee. Instead remuneration of the Directors is considered by the Board on an annual basis.

## Directors' Remuneration Policy

The Board has decided to seek annual approval of the Directors' Remuneration Policy from shareholders. An ordinary resolution to approve this report will be put to shareholders at the forthcoming AGM. The policy subject to the vote, is set out in full below and is currently in force.

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

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

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

In the year under review, Directors' fees were paid at the following annual rates: Chairman £60,000; Chairman of the Audit Committee £50,000; Chair of the Market Risk Committee and Senior Independence Director £54,000 (one Director fulfills both these roles for which he is paid £54,000 in total); and other Directors £42,000.

With effect from 1st March 2022 fees have been increased to £61,800, £51,500, £55,650, and £43,300 for the Chairman, Audit Committee Chairman, Market Risk Committee Chairman and Senior Independent Director, and other Directors respectively. This is the first time that fees have been increased since the inception of the Company.

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

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

The terms and conditions of Directors' appointments are set out in formal letters of appointment which are available for review at the Company's AGM and the Company's registered office. Details of the Board's policy on tenure are set out on page 42.

## Directors' remuneration policy implementation

The Directors' Remuneration Report, which includes details of the Directors' remuneration policy and its implementation, is subject to an annual advisory vote and therefore an ordinary resolution to approve this report will be put to shareholders at the forthcoming AGM. There are no changes to the policy currently proposed for the year ending 28th February 2023.

At the annual general meeting held on 3rd August 2021, of votes cast, 99.8% were in favour of (or granted discretion to the Chairman who voted in favour of) both the remuneration policy and the remuneration report and 0.2% voted against. Votes withheld were the equivalent of less than 0.01% of the votes cast. Similar details for the 2022 AGM will be given in next year's Annual Report & Financial Statements.

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

## Single total figure of remuneration

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

## Single Total Figure Table<sup>1</sup>

Directors	2022 Total £	2021 Total £
John Scott	60,000	60,000
Helen Green	50,000	50,000
Simon Holden	54,000	54,000
Chris Russell	42,000	42,000
<b>Total</b>	<b>206,000</b>	<b>206,000</b>

<sup>1</sup> Other subject headings for the single figure table are not included because there is nothing to disclose in relation thereto.

# Directors' Remuneration Report

## Directors' shareholdings

There are no requirements pursuant to the Company's Articles of Incorporation for the Directors to own shares in the Company. The Directors' beneficial shareholdings are detailed below. All shares are held beneficially.

Directors' Name	28th February 2022	28th February 2021
John Scott	150,000	150,000
Helen Green	10,000	10,000
Simon Holden	50,000	50,000
Chris Russell	100,000	100,000

On 18th May 2022, Mr Scott purchased a further 20,000 shares taking his total beneficial holding in the Company to 170,000 shares.

## Expenditure by the Company on remuneration and distributions to shareholders

	Period ended 28th February	
	2022	2021
Remuneration paid to all Directors	£206,000	£206,000
Distribution to shareholders — by way of dividend	£8,608,000	£6,730,000

For and on behalf of the Board

**John Scott**

Chairman

1st July 2022



## Statement of Directors' Responsibilities

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

The Companies (Guernsey) Law, 2008 ('the law') requires the Directors to prepare the Financial Statements for each financial year. Under that law, the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards to meet the requirements of applicable law and regulations. Under Company law the Directors must not approve the Financial Statements unless they are satisfied that, taken as a whole, the Annual Report & Financial Statements are fair, balanced and understandable, provide the information necessary for shareholders to assess the Company's position, performance, business model and strategy and that they give a true and fair view of the state of affairs of the Company and of the total return or loss of the Company for that period. 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 International Financial Reporting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a 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.

The Directors are responsible for keeping proper accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the law. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The accounts are published on the [www.jpmrealassets.co.uk](http://www.jpmrealassets.co.uk) website, which is maintained by the Company's Manager. The maintenance and integrity of the website maintained by the Manager is, so far as it relates to the Company, the responsibility of the Manager. The work carried out by the Auditor does not involve consideration of the maintenance and integrity of this website and, accordingly, the Auditor accepts no responsibility for any changes that have occurred to the accounts since they were initially presented on the website. Legislation in Guernsey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions. The accounts are prepared in accordance with International Financial Reporting Standards.

Under applicable law and regulations the Directors are also responsible for preparing a Directors' Report, Corporate Governance Statement and Directors' Remuneration Report that comply with that law and those regulations.

Each of the Directors, whose names and functions are listed on page 39 confirms that, to the best of their knowledge:

- the financial statements, which have been prepared in accordance with International Financial Reporting Standards and applicable law, give a true and fair view of the assets, liabilities, financial position and return or loss of the Company; and
- the Strategic Report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal and emerging risks and uncertainties that it faces.

The Board also confirms that it is satisfied that the Strategic Report and Directors' Report include a fair review of the development and performance of the business, and the position of the Company, together with a description of the principal and emerging risks and uncertainties that the Company faces.

For and on behalf of the Board

**John Scott**

Chairman

1st July 2022



# Independent Auditor's Report

## Independent auditor's report to the members of JPMorgan Global Core Real Assets Limited

### Report on the audit of the financial statements

#### Our opinion

In our opinion, the financial statements give a true and fair view of the financial position of JPMorgan Global Core Real Assets Limited (the 'Company') as at 28 February 2022, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and have been properly prepared in accordance with the requirements of The Companies (Guernsey) Law, 2008.

#### What we have audited

The Company's financial statements comprise:

- the statement of financial position as at 28 February 2022;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ('ISAs'). Our responsibilities under those standards are further described in the Auditor's 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 are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements of the Company, as required by the Crown Dependencies' Audit Rules and Guidance, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We are also independent in accordance with SEC Independence Rules.

#### Our audit approach

##### Overview

##### Audit scope

- The Company is a closed-ended registered collective investment scheme, incorporated in Guernsey, whose ordinary shares are admitted to trading on the Main Market of the London Stock Exchange.
- The Company engages JPMorgan Funds Limited to manage its assets. JPMorgan Funds Limited delegates the management of the Company's portfolio to JPMorgan Asset Management (UK) Limited, which further delegates the management to J.P. Morgan Asset Management, Inc., Security Capital Research & Management Inc. and J.P. Morgan Alternative Asset Management Inc. JPMorgan Funds Limited and its delegates are collectively referred to as the 'Investment Manager'.
- We conducted our audit of the financial statements in Guernsey using information provided by J.P. Morgan Administration Services (Guernsey) Limited (the 'Administrator') and its related group entities to whom the Board of Directors has delegated the provision of certain functions. We also had significant interaction with representatives of the Investment Manager in completing aspects of our audit work.

##### Key audit matters

- Valuation of investments held at fair value through profit or loss.
- Risk of fraud in revenue recognition.

##### Materiality

- Overall materiality: £4.13 million (2021: £3.67 million) based on 2% of net assets.
- Performance materiality: £3.09 million (2021: £2.75 million).

# Independent Auditor's Report

## The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where the Directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

## Key audit matters

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

This is not a complete list of all risks identified by our audit.

Key audit matter	How our audit addressed the key audit matter
<b>Valuation of investments held at fair value through profit or loss</b> <i>Refer to note 2 and 12 to the financial statements.</i>	In auditing the fair value of the Company's investments: <ul style="list-style-type: none"> <li>● We assessed the accounting policy for investments, as set out in note 2.3, for compliance with International Financial Reporting Standards ('IFRS').</li> <li>● We understood and evaluated the process and internal controls in place at the Investment Manager regarding the valuation of the private collective investment schemes and at the Administrator over the valuation of publicly listed securities and the production of the Company's net asset value.</li> <li>● We independently obtained confirmation from The Bank of New York Mellon (International) Limited (the 'Depositary') of the existence of all investments and checked that these agreed to or were appropriately reconciled to the Company's financial records.</li> </ul>
The Company's investments of £204.7 million consist of publicly listed securities (equity and debt instruments) held through managed accounts (£44.2 million) and investments in private collective investment schemes (£160.5 million), all of which are managed or advised by entities within the JPMorgan group.  The publicly listed securities are traded in active markets and their fair values are based on quoted market prices at the close of trading on the reporting date.	
The investments in the private collective investment schemes are illiquid, can be held through special purpose vehicles ('SPVs'), valued using data that is not necessarily observable in the market and may be subject to significant levels of estimation and judgment, all of which could materially impact the outcome of the valuation.  As investments are material by value, are subject to some level of estimation and judgement and are a key indicator that shareholders will consider in their assessment of the performance of the Company, we have considered the valuation of investments to be a key audit matter.	
	<b>Publicly listed securities</b> <ul style="list-style-type: none"> <li>● We re-priced 100% of the publicly listed securities' per-share/unit prices as at the statement of financial position date using independently obtained pricing information.</li> <li>● We recalculated the fair value of the publicly listed securities using the per-share/unit prices independently obtained and the independently reconciled holdings as at the period end.</li> </ul>
	<b>Private collective investment schemes</b> <ul style="list-style-type: none"> <li>● We obtained direct confirmation from the Depositary of the private collective investment schemes as at year-end. We confirmed the commitment, number of units held and capital called as at 28 February 2022 and agreed these to the Company's financial records.</li> </ul>

# Independent Auditor's Report

## Key audit matter

## How our audit addressed the key audit matter

- We understood how the private collective investment schemes are structured and what drives their net asset values, which included obtaining from the Investment Manager evidence of the latest available net asset values of the ultimate investments into which the private collective investment schemes invest. This assisted in understanding how the net asset value, that represents the fair value of the Company's investments in the private collective investment schemes, is constructed and to determine its compliance with IFRS 13 - Fair Value Measurement.
- At year end, in determining the fair value of the private collective investment schemes using their respective net asset values per unit, the Company appointed BDO LLP ('BDO') as management's expert to assist in determining an appropriate allocation of the reported returns for the private collective investment schemes between the reported net asset values for the quarters ending 31 December 2021 and 31 March 2022, which are non-coterminous with that of the Company's year-end. We obtained and considered the BDO report and associated workings for each of the 4 private collective investment schemes and agreed the allocation of returns through to the fair value calculation prepared by the Investment Manager. We also assessed BDO's independence, qualifications and expertise and read their terms of engagement with the Company to determine whether there were any matters that might have affected their objectivity or may have imposed scope limitations upon their work.

We note that the Company's investment in U.S. Real Estate Mezzanine Debt Fund Feeder (Lux) SCSp3 is not covered by BDO's report. The Company answered the capital call from the fund late in February 2022 and we noted that the investment is non-unitised as at the year-end.

We found no evidence to suggest any scope limitation or that the objectivity of BDO was compromised. Finally, we confirmed with both the Investment Manager and the Directors that they adopted the report prepared by BDO as their own with respect to the relevant fair values and agreed with the outcome.

- We assessed the appropriateness of the Investment Manager's valuation methodology of calculating a pro-forma net asset value per unit as of 28 February 2022 for each of the underlying private collective investment schemes and applying this to the units held by the Company as at 28 February 2022, and any respective estimates and judgements made in the valuation (being the estimate of the net asset value) and recalculated the net asset value calculation provided.
- We obtained both the 31 December 2021 and 31 March 2022 regular quarterly net asset values of the private collective investment schemes and considered the valuation provided against these net asset values and the wider general and real asset economic market indicators over this period, challenging management where and as appropriate.

# Independent Auditor's Report

## Key audit matter

## How our audit addressed the key audit matter

- We performed back testing procedures on the valuation of the private collective investment schemes to evaluate the respective investment manager's estimation reliability by obtaining the last audited financial statements available and comparing the coterminous fund net asset value provided by the Investment Manager/administrator in the quarterly net asset value/capital statements to the net asset value in the audited financial statements obtained.
- We have also assessed the structure of how each investment is held and when held through SPVs we assessed whether any material dilution that would be expected if the Company were to sell the investments in the private schemes and liquidate the SPVs and that any such impact had been taken into account in the determining the valuation of the private collective investment schemes.

No significant issues or concerns were noted with regard to the valuation of financial assets at fair value through profit or loss which required reporting to those charged with governance.

## Risk of fraud in revenue recognition

Refer to note 5 to the financial statements.

Revenue consists of dividend income from the equity investments, distributions received from the private collective investment schemes and interest income earned on debt instruments.

The Company seeks to deliver a 4%-6% annual dividend yield to its investors based on the initial issue price of 100p per share (with a target quarterly dividend declaration), which will be largely reliant on the receipt of distributions, dividends and interest from its respective underlying investments, hence there is a risk that management may overstate the reported revenue.

Due to the nature of the revenue (both from a perspective of materiality and that there are multiple revenue streams that are present), there is a deemed inherent risk of fraud in revenue recognition that the audit needs to address.

- We understood and evaluated the control processes around the revenue transaction cycle.
- On a sample basis, we substantively tested dividend and interest revenue transactions by tracing through the recorded revenue transactions to underlying source documents and we recalculated the reasonableness of such revenue where appropriate.
- For distributions received from the private collective investment schemes, we agreed the distribution income to the distribution notices from the private collective investment scheme managers and also evaluated whether the classification of distributions was consistent with the nature of the cash flows as per the distribution notices and that the distributions are from the SPVs the Company has invested in.
- We inspected any material manual journals posted to the respective revenue accounts, agreed such journals to supporting source documentation and considered whether the journals were reasonable and appropriate.
- We reviewed the revenue accounting and concluded the revenue in the financial statements is recognised, measured and presented in accordance with IFRS.

We did not identify any significant issues or concerns from our procedures which required reporting to those charged with governance.

## How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which the Company operates.

# Independent Auditor's Report

## Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

<b>Overall materiality</b>	£4.13 million (2021: £3.67 million).
<b>How we determined it</b>	2% of net assets.
<b>Rationale for benchmark applied</b>	We believe that net assets is the most appropriate basis for determining materiality since this is a key consideration for members of the Company when assessing financial performance. It is also a generally accepted measure used for companies in this industry.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2021: 75%) of overall materiality, amounting to £3.09 million (2021: £2.75 million) for the Company's financial statements.

In determining the performance materiality, we considered a number of factors – the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls - and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £0.2 million (2021: £0.2 million) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

## Reporting on other information

The other information comprises all the information included in the Annual Report & Financial Statements (the 'Annual Report') but does not include the financial statements and our auditor's report thereon. The Directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, 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.

## Responsibilities for the financial statements and the audit

### Responsibilities of the Directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities, the Directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards, the requirements of Guernsey law and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in

## Independent Auditor's Report

aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern over a period of at least twelve months from the date of approval of the financial statements. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Use of this report

This report, including the opinions, has been prepared for and only for the members as a body in accordance with Section 262 of The Companies (Guernsey) Law, 2008 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.

### Report on other legal and regulatory requirements

#### Company Law exception reporting

Under The Companies (Guernsey) Law, 2008 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit;
- 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.

# Independent Auditor's Report

## Corporate governance statement

The Listing Rules require us to review the Directors' statements in relation to going concern, longer-term viability and that part of the corporate governance statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified for our review. Our additional responsibilities with respect to the corporate governance statement as other information are described in the Reporting on other information section of this report.

The Company has reported compliance against the 2019 AIC Code of Corporate Governance (the 'Code') which has been endorsed by the UK Financial Reporting Council as being consistent with the UK Corporate Governance Code for the purposes of meeting the Company's obligations, as an investment company, under the Listing Rules of the FCA.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement, included within the Strategic Report and the Directors' Report is materially consistent with the financial statements and our knowledge obtained during the audit, and we have nothing material to add or draw attention to in relation to:

- The Directors' confirmation that they have carried out a robust assessment of the emerging and principal risks;
- The disclosures in the Annual Report that describe those principal risks, what procedures are in place to identify emerging risks and an explanation of how these are being managed or mitigated;
- The Directors' statement in the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the Company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;
- The Directors' explanation as to their assessment of the Company's prospects, the period this assessment covers and why the period is appropriate; and
- The Directors' statement as to whether they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of its assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Our review of the Directors' statement regarding the longer-term viability of the Company was substantially less in scope than an audit and only consisted of making inquiries and considering the Directors' process supporting their statements; checking that the statements are in alignment with the relevant provisions of the Code; and considering whether the statement is consistent with the financial statements and our knowledge and understanding of the Company and its environment obtained in the course of the audit.

In addition, based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- The Directors' statement that they consider the Annual Report, taken as a whole, is fair, balanced and understandable, and provides the information necessary for the members to assess the Company's position, performance, business model and strategy;
- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems; and
- The section describing the work of the Audit Committee.

We have nothing to report in respect of our responsibility to report when the Directors' statement relating to the Company's compliance with the Code does not properly disclose a departure from a relevant provision of the Code specified under the Listing Rules for review by the auditors.

## Roland Mills

For and on behalf of PricewaterhouseCoopers CI LLP  
Chartered Accountants and Recognised Auditor  
Guernsey, Channel Islands

1st July 2022



## Statement of Comprehensive Income

For the year ended 28th February 2022

	Notes	Year ended	Year ended
		28th February	28th February
		2022	2021
Gains/(losses) on investments held at fair value through profit or loss	4	15,896	(9,297)
Net foreign currency gains/(losses)		905	(5,290)
Investment income	5	9,846	3,049
Interest receivable and similar income	5	183	565
<b>Total return/(loss)</b>		<b>26,830</b>	<b>(10,973)</b>
Management fee	6	(1,628)	(703)
Other administrative expenses	7	(1,023)	(642)
<b>Return/(loss) before finance costs and taxation</b>		<b>24,179</b>	<b>(12,318)</b>
Finance costs	8	(1)	—
<b>Return/(loss) before taxation</b>		<b>24,178</b>	<b>(12,318)</b>
Taxation	9	(485)	(412)
<b>Return/(loss) for the year</b>		<b>23,693</b>	<b>(12,730)</b>
<b>Return/(loss) per share</b>	10	<b>11.06p</b>	<b>(6.16)p</b>

The Company does not have any income or expense that is not included in the net profit for the year. Accordingly the 'Return for the year', is also the 'Total comprehensive income for the year, as defined in IAS1 (revised).

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

The notes on pages 65 to 81 form an integral part of these financial statements.

## Statement of Changes in Equity

	Share premium £'000	Retained earnings £'000	Total £'000
<b>Year ended 28th February 2021</b>			
<b>At 29th February 2020</b>	<b>200,574</b>	<b>(6,159)</b>	<b>194,415</b>
Issue of ordinary shares	8,679	—	8,679
Share issue costs	(117)	—	(117)
Loss for the year	—	(12,730)	(12,730)
Dividends paid in the year (note 11)	—	(6,730)	(6,730)
<b>At 28th February 2021</b>	<b>209,136</b>	<b>(25,619)</b>	<b>183,517</b>
<b>Year ended 28th February 2022</b>			
<b>At 28th February 2021</b>	<b>209,136</b>	<b>(25,619)</b>	<b>183,517</b>
Issue of ordinary shares	7,987	—	7,987
Return for the year	—	23,693	23,693
Dividends paid in the year (note 11)	—	(8,608)	(8,608)
<b>At 28th February 2022</b>	<b>217,123</b>	<b>(10,534)</b>	<b>206,589</b>

The notes on pages 65 to 81 form an integral part of financial statements.

## Statement of Financial Position

At 28th February 2022

	Notes	2022 £'000	2021 £'000
<b>Assets</b>			
<b>Non current assets</b>			
Investments held at fair value through profit or loss	12	204,667	163,450
<b>Current assets</b>			
Other receivables	13	1,063	814
Cash and cash equivalents	14	1,175	19,867
		2,238	20,681
<b>Liabilities</b>			
<b>Current liabilities</b>			
Other payables	15	(316)	(614)
<b>Net current assets</b>		<b>1,922</b>	<b>20,067</b>
<b>Total assets less current liabilities</b>		<b>206,589</b>	<b>183,517</b>
<b>Net assets</b>		<b>206,589</b>	<b>183,517</b>
<b>Amounts attributable to shareholders</b>			
Share premium		217,123	209,136
Retained earnings		(10,534)	(25,619)
<b>Total shareholders' funds</b>		<b>206,589</b>	<b>183,517</b>
<b>Net asset value per share</b>	17	<b>95.0p</b>	<b>87.9p</b>

The financial statements on pages 62 to 81 were approved and authorised for issue by the Directors on 1st July 2022 and were signed on their behalf by:

**John Scott**  
Chairman

The notes on pages 65 to 81 form an integral part of these financial statements.

**Incorporated in Guernsey with the company registration number: 66082.**

# Statement of Cash Flows

For the year ended 28th February 2022

	Year ended 28th February 2022 £'000	Year ended 28th February 2021 £'000
<b>Operating activities</b>		
Return/(loss) before taxation	24,179	(12,318)
Deduct dividend income	(9,730)	(2,972)
Deduct investment income – interest	(116)	(77)
Deduct deposit and liquidity fund interest income	(183)	(565)
Less interest expense	(1)	—
Add indirect management fee	880	—
Deduct gains/add losses on investments held at fair value through profit or loss	(15,896)	9,297
Increase in prepayments and accrued income	(14)	(16)
Decrease in other payables	(101)	(93)
Add exchange losses on cash and cash equivalents	107	3,981
Taxation	(484)	(414)
<b>Net cash outflow from operating activities before interest and taxation</b>	<b>(1,359)</b>	<b>(3,177)</b>
Dividends received	9,413	2,318
Investment income – interest	150	124
Deposit and liquidity fund interest received	183	737
Purchases of investments held at fair value through profit or loss	(53,630)	(128,334)
Sales of investments held at fair value through profit or loss	27,279	23,635
<b>Net cash outflow from operating activities</b>	<b>(17,964)</b>	<b>(104,697)</b>
<b>Financing activities</b>		
Issue of ordinary shares	7,987	8,679
Share issue costs	—	(117)
Dividends paid	(8,608)	(6,730)
<b>Net cash (outflow)/inflow from financing activities</b>	<b>(621)</b>	<b>1,832</b>
Decrease in cash and cash equivalents	(18,585)	(102,865)
Cash and cash equivalents at start of year	19,867	126,713
Exchange movements	(107)	(3,981)
<b>Cash and cash equivalents at end of year<sup>1</sup></b>	<b>1,175</b>	<b>19,867</b>

<sup>1</sup> Cash and cash equivalents includes liquidity funds.

The notes on pages 65 to 81 form an integral part of these financial statements.

# Notes to the Financial Statements

For the year ended 28th February 2022

## 1. General information

The Company is a closed-ended investment company incorporated in accordance with The Companies (Guernsey) Law, 2008. The address of its registered office is at 1st Floor, Les Echelons Court, Les Echelons, South Esplanade, St Peter Port, Guernsey GY11AR.

The principal activity of the Company is investing in securities as set out in the Company's Objective and Investment Policies.

The Company was incorporated on 22nd February 2019. The Company was admitted to the Main Market of the London Stock Exchange and had its first day of trading on 24th September 2019.

### Investment objective

The Company will seek to provide Shareholders with stable income and capital appreciation from exposure to a globally diversified portfolio of core real assets.

### Investment policy

The Company will pursue its investment objective through diversified investment in private funds or accounts managed or advised by entities within J.P. Morgan Asset Management (together referred to as 'JPMAM'), the asset management business of JPMorgan Chase & Co. These JPMAM Products will comprise 'Private Funds', being private collective investment vehicles, and 'Managed Accounts', which will typically take the form of a custody account the assets in which are managed by a discretionary manager.

## 2. Summary of significant accounting policies

### 2.1 Basis of preparation

#### (a) Statement of compliance

The Company's financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS'), which comprise standards and interpretations approved by the International Accounting Standards Board ('IASB'), the IFRS Interpretations Committee and interpretations approved by the International Accounting Standards Committee ('IASC') that remain in effect and The Companies (Guernsey) Law, 2008.

#### (b) Basis of accounting

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

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

#### (c) Standards and amendments to existing standards effective 1st March 2021

There are no standards, amendments to standards or interpretations that are effective for annual periods beginning on 1st March 2020 that have a material effect on the financial statements of the Company.

#### (d) New standards, amendments and interpretations effective after 28th February 2022 that have not been early adopted

A number of new standards, amendments to standards and interpretations that are effective for annual periods beginning after 28th February 2022, and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Company upon adoption.

#### (e) Going Concern

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

### 2.2 Foreign currency translation

#### (a) Functional and presentation currency

The Board of Directors considers pound sterling as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The financial statements are presented in pound sterling, which is the Company's functional and presentation currency.

## Notes to the Financial Statements

### 2. Summary of significant accounting policies (continued)

#### (b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency assets and liabilities are translated into the functional currency using the exchange rate prevailing at the statement of financial position date.

Foreign exchange gains and losses arising from translation are included in the statement of comprehensive income.

Foreign exchange gains and losses relating to cash and cash equivalents are presented in the statement of comprehensive income within 'net foreign currency gains or losses'.

Foreign exchange gains and losses relating to the financial assets and liabilities carried at fair value through profit or loss are presented in the statement of comprehensive income within 'Gains/(Losses) on investments held at fair value through profit or loss'.

### 2.3 Financial assets and financial liabilities at fair value through profit or loss

#### (a) Classification

##### (i) Assets

The Company classifies its investments based on both the Company's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Company is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. The Company has not taken the option to irrevocably designate any equity securities as fair value through other comprehensive income. The contractual cash flows of the Company's debt securities are solely principal and interest, however, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Company's business model's objective. Consequently, all investments are measured at fair value through profit or loss.

##### (ii) Liabilities

Derivative contracts that have a negative fair value are presented as derivative financial liabilities at fair value through profit or loss. As such, the Company classifies all of its investment portfolio as financial assets or liabilities at fair value through profit or loss. The Company's policy requires the Manager and the Board of Directors to evaluate the information about these financial assets and liabilities on a fair value basis together with other related financial information.

#### (b) Recognition, derecognition and measurement

Regular purchases and sales of investments are recognised on the trade date – the date on which the Company commits to purchase or sell the investment. Financial assets and financial liabilities at fair value through profit or loss are initially recognised at fair value. Transaction costs are expensed as incurred in the statement of comprehensive income.

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or the Company has transferred substantially all risks and rewards of ownership.

Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the 'financial assets or financial liabilities at fair value through profit or loss' category are presented in the statement of comprehensive income within 'Gains/(Losses) on investments held at fair value through profit or loss in the period in which they arise'.

#### (c) Fair value estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and trading securities) are based on quoted market prices at the close of trading on the reporting date. The Company utilises the last traded market price for both financial assets and financial liabilities where the last traded price falls within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, management will determine the point within the bid-ask spread that is most representative of fair value.

## Notes to the Financial Statements

If a significant movement in fair value occurs subsequent to the close of trading on the year end date, valuation techniques will be applied to determine the fair value. A significant event is any event that occurs after the last market price for a security, close of market or close of the foreign exchange, but before the Company's valuation time that materially affects the integrity of the closing prices for any security, instrument, currency or securities affected by that event so that they cannot be considered 'readily available' market quotations.

The fair value of financial assets and liabilities that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. The Company uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. Valuation techniques used include the use of comparable recent ordinary transactions between market participants, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity-specific inputs. Investments in private collective investment schemes not traded in active markets are valued based upon the last available NAV of the investment. This may be adjusted for expected income and capital returns to the year-end date where the available NAV is not the same as the Company's year-end date.

### **(d) Transfers between levels of the fair value hierarchy**

Transfers between levels of the fair value hierarchy are deemed to have occurred at the end of the reporting period.

## **2.4 Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

## **2.5 Due from and due to broker**

Amounts due from and to brokers represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet settled or delivered on the statement of financial position date respectively. The due from broker balance is held for collection.

These amounts are recognised initially at fair value and subsequently measured at amortised cost. At each reporting date, the Company shall measure the loss allowance on amounts due from broker at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Company shall measure the loss allowance at an amount equal to 12-month expected credit losses. Significant financial difficulties of the broker, probability that the broker will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required. If the credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated based on the gross carrying amount adjusted for the loss allowance. A significant increase in credit risk is defined by management as any contractual payment which is more than 30 days past due. Any contractual payment which is more than 90 days past due is considered credit impaired.

## **2.6 Cash and cash equivalents**

Cash and cash equivalents includes cash in hand, deposits held at call with banks and other short-term investments in an active market with original maturities of three months or less, bank overdrafts and liquidity funds. Cash and cash equivalents are shown in current assets while bank overdrafts are shown in current liabilities in the statement of financial position.

## **2.7 Accrued expenses**

Accrued expenses are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

## **2.8 Interest income and interest from financial assets at fair value through profit or loss**

Interest is recognised on a time-proportionate basis using the effective interest method. Interest income includes interest from cash and cash equivalents. Interest from financial assets at fair value through profit or loss includes interest from debt securities.

## Notes to the Financial Statements

### 2. Summary of significant accounting policies (continued)

#### 2.9 Dividend income

Dividend income is recognised when the right to receive payment is established. Dividends are recorded gross of withholding taxes in the statement of comprehensive income.

#### 2.10 Transaction costs

Transaction costs are costs incurred to acquire financial assets or liabilities at fair value through profit or loss. They include fees and commissions paid to agents, advisers, brokers and dealers. Transaction costs, are immediately expensed as they are incurred.

#### 2.11 Taxation

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

The Company incurs withholding taxes imposed by certain countries on investment income and capital gains. Such income or gains are recorded gross of withholding taxes in the statement of comprehensive income. Withholding taxes are shown as a separate item in the statement of comprehensive income.

#### 2.12 Collateral

Cash collateral provided by the Company is identified in the statement of financial position as margin cash and is not included as a component of cash and cash equivalents. For collateral other than cash, if the party to whom the collateral is provided has the right by contract or custom to sell or re-pledge the collateral, the Company classifies that asset in its statement of financial position separately from other assets and identifies the asset as pledged collateral. Where the party to whom the collateral is provided does not have the right to sell or re-pledge, a disclosure of the collateral provided is made in the notes to the financial statements.

### 3. Critical accounting estimates and judgements

#### 3.1 Critical accounting estimates and assumptions

Management makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are outlined below.

##### (a) Fair value of derivative financial instruments

The Company may, from time to time, hold financial instruments that are not quoted in active markets, such as over-the-counter derivatives. Fair values of such instruments are determined by using valuation techniques. Where valuation techniques (for example, models) are used to determine fair values, they are validated and periodically reviewed by experienced personnel at JPMorgan Asset Management, independent of the party that created them. Models are calibrated by back-testing to actual transactions to ensure that outputs are reliable.

##### (b) Fair value of securities not quoted in an active market

The fair value of such securities not quoted in an active market may be determined by the Company using reputable pricing sources (such as pricing agencies) or indicative prices from bond/debt market makers. Broker quotes as obtained from the pricing sources may be indicative and not executable or binding. The Company would exercise judgement and estimates on the quantity and quality of pricing sources used. Where no market data is available, the Company may value positions using its own models, which are usually based on valuation methods and techniques generally recognised as standard within the industry. The models used to determine fair values are validated and periodically reviewed by experienced personnel at JPMorgan Asset Management, independent of the party that created them. The models used for private collective investment schemes are based mainly on the net asset value per share of such underlying private investment funds. Non-coterminous illiquid investments not traded in active markets are valued based upon the last available NAV of the investment, adjusted for expected income and capital returns to the year-end date. The adjustment for income returns is based on the assumption the net income accrues evenly. The adjustment for capital returns is based upon a review of comparable index sources.

Models use observable data, to the extent practicable. However, areas such as credit risk (both own and counterparty), volatilities and correlations require management to make estimates. Changes in assumptions about these factors could affect the reported fair value of financial instruments. The sensitivity to unobservable inputs is based on management's expectation of reasonable possible shifts in these inputs, taking into consideration historical volatility and estimations of future market movements.

## Notes to the Financial Statements

### 3.2 Critical judgements

The determination of what constitutes 'observable' requires significant judgement by the Company. The Company considers observable data to be market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

### Functional currency

The Board of Directors considers pound sterling the currency that most faithfully represents the economic effect of the underlying transactions, events and conditions. Pound sterling is the currency in which the Company measures its performance and reports its results, as well as the currency in which the Company issues shares to its investors.

### 4. Gains/(losses) on investments held at fair value through profit or loss

	2022 £'000	2021 £'000
Net realised gains on sales of investments	1,353	793
Net change in unrealised gains and losses on investments	14,573	(10,069)
Other capital charges	(30)	(21)
<b>Total gains/(losses) on investments held at fair value through profit or loss</b>	<b>15,896</b>	<b>(9,297)</b>

### 5. Income

	2022 £'000	2021 £'000
<b>Investment income</b>		
UK dividends and distributions	3,928	—
UK interest	62	77
Overseas dividends	5,795	2,972
Overseas interest	54	—
Property income distribution from UK REITS	7	—
	<b>9,846</b>	<b>3,049</b>
<b>Interest receivable and similar income</b>		
Deposit interest	171	—
Income from liquidity fund	12	565
	<b>183</b>	<b>565</b>
<b>Total income</b>	<b>10,029</b>	<b>3,614</b>

### 6. Management fee

	2022 £'000	2021 £'000
Management fee	748	703
Indirect Management fee <sup>1</sup>	880	—
<b>Total</b>	<b>1,628</b>	<b>703</b>

<sup>1</sup> Indirect management fees paid in respect of Global Transport Income Fund Feeder Partnership SCSp, Strategic Property Fund Asia SCSp and IIF UK 1 LP. These payments were made via cancellation of units in these scheme.

## Notes to the Financial Statements

### 7. Other administrative expenses

	2022 £'000	2021 £'000
Other administration expenses	682	307
Directors' fees <sup>1</sup>	206	206
Auditor's remuneration for audit services	107	100
Depository fees <sup>2</sup>	28	29
	<b>1,023</b>	<b>642</b>

<sup>1</sup> Full disclosure is given in the Directors' Remuneration Report on pages 49 and 50 and in note 19 on page 73.

<sup>2</sup> Includes £5,000 (year ended 28th February 2021: £5,000) irrecoverable VAT.

### 8. Finance costs

	2022 £'000	2021 £'000
Interest on bank overdrafts	1	—

### 9. Taxation

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

The overseas tax charge consists of tax withheld by local governments on dividends that the Company has received. This overseas tax was suffered on dividends from Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland and the United States of America. This overseas tax charge is irrecoverable.

### 10. Return/(loss) per share

	2022 £'000	2021 £'000
Total return/(loss)	23,693	(12,730)
Weighted average number of shares in issue during the year	214,182,610	206,541,068
<b>Total return/(loss) per share</b>	<b>11.06p</b>	<b>(6.16)p</b>

### 11. Dividends

	2022 £'000	2021 £'000
<b>Dividends paid</b>		
2021/2022 First interim dividend of 1.00p (2021: 0.75p) per share	2,088	1,510
2021/2022 Second interim dividend of 1.00p (2021: 0.75p) per share	2,172	1,566
2021/2022 Third interim dividend of 1.00p (2021: 0.75p) per share	2,174	1,566
2021/2022 Fourth interim dividend of 1.00p (2021: 1.00p) per share	2,174	2,088
<b>Total dividends paid in the year</b>	<b>8,608</b>	<b>6,730</b>
<b>Dividend declared</b>		
2022/2023 First interim dividend declared of 1.00p (2021: 1.00p)	2,174	2,088

## Notes to the Financial Statements

**12. Investments held at fair value through profit or loss**

	2022 £'000	2021 £'000
Investments listed on a recognised stock exchange	44,201	40,886
Investments in Private Collective Investment Schemes	160,466	122,564
	<b>204,667</b>	<b>163,450</b>
	2022 £'000	2021 £'000
Opening book cost	175,661	69,998
Opening investment holding losses	(12,211)	(2,141)
Opening valuation	163,450	67,857
Movements in the year:		
Purchases at cost	53,439	128,353
Sales proceeds	(27,237)	(23,451)
Units cancelled in lieu of management fees	(880)	—
Realised gains on investments	1,353	793
Net change in unrealised gains/(losses) in investments	14,573	(10,069)
EIR adjustment	(31)	(33)
<b>Closing valuation</b>	<b>204,667</b>	<b>163,450</b>
Closing book cost	202,290	175,661
Closing investment holding gains/(losses)	2,377	(12,211)
<b>Closing valuation</b>	<b>204,667</b>	<b>163,450</b>

Transaction costs on purchases during the year amounted to £41,000 (2021: £35,000) and on sales during the year amounted to £8,000 (2021: £6,000). These costs comprise mainly brokerage commission.

The Company received £27,237,000 (2021: £23,451,000) from investments sold in the year. The book cost of these investments when they were purchased was £25,915,000 (2021: £22,689,000). These investments have been revalued over time and until they were sold any unrealised gains/losses were included in the fair value of the investments.

**Current Assets****13. Other receivables**

	2022 £'000	2021 £'000
Securities sold awaiting settlement	—	72
Dividends and interest receivable	1,013	688
Bond interest receivable	—	17
Overseas tax recoverable	1	2
Prepayments and accrued income	49	35
	<b>1,063</b>	<b>814</b>

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

Due to the short term maturity and operating nature of the receivables. Expected credit losses are not expected with respect to these balances given the immaterial amount that such credit loss would represent.

## Notes to the Financial Statements

### 14. Cash and cash equivalents

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

	2022 £'000	2021 £'000
JPM US Dollar Liquidity Fund	112	18,630
JPM Sterling Liquidity Fund	11	261
Cash at bank	1,052	976
	<b>1,175</b>	<b>19,867</b>

### Current liabilities

### 15. Other payables

	2022 £'000	2021 £'000
Securities purchased awaiting settlement	25	222
Other creditors and accruals	291	392
	<b>316</b>	<b>614</b>

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

### 16. Share capital

#### (a) Authorised share capital

Unlimited number of shares at no par value.

#### (b) Issued

	As at 28th February 2022	As at 28th February 2021
Number of shares at beginning of the year	208,807,952	200,802,887
Shares issued during the year	8,600,000	8,005,065
<b>Number of shares at the end of the year</b>	<b>217,407,952</b>	<b>208,807,952</b>

#### Share capital transactions

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

### 17. Net asset value per share

	2022	2021
Shareholders funds (£'000)	206,589	183,517
Number of shares in issue	217,407,952	208,807,952
<b>Net asset value per share</b>	<b>95.0p</b>	<b>87.9p</b>

### 18. Contingent assets, contingent liabilities and capital commitments

As at reporting date, the Company is committed to invest in units of private collective investment funds as indicated below:

Investment	Currency	Commitment - GBP
U.S. Real Estate Mezzanine Debt Fund Feeder (Lux) SCSp	GBP	6,288,286
<b>Total commitments</b>		<b>6,288,286</b>

There are no other contingent assets or contingent liabilities as at reporting date.

## Notes to the Financial Statements

### 19. Transactions with the Manager and related parties

Details of the management contract are set out in the Directors' Report on page 40. The management fee payable to the Manager for the year was £1,628,000 (2021: £703,00) of which £67,000 (2021: £203,000) was outstanding at the year end.

The Company holds cash in JPMorgan Sterling Liquidity Fund, which is managed by JPMF. At the year end, this was valued at £0.01 million (2021: £0.3 million). Interest amounting to £4,000 (2021: £6,000) was receivable during the year of which £nil (2021: £nil) was outstanding at the year end.

The Company holds cash in JPMorgan US Dollar Liquidity Fund, which is managed by JPMF. At the year end, this was valued at £0.1 million (2021: £18.6 million). Interest amounting to £8,000 (2021: £559,000) was receivable during the year of which £nil (2021: £4,000) was outstanding at the year end.

Included in administrative expenses in note 7 on page 70 are safe custody fees amounting to £2,000 (2021: £94,000) payable to JPMorgan Chase N.A. of which £1,000 (2021: £1,000) was outstanding at the year end.

Handling charges on dealing transactions amounting to £30,000 (2021: £21,000) were payable to JPMorgan Chase N.A. during the year of which £4,000 (2021: £2,000) was outstanding at the year end.

At the year end, a bank balance of £1,052,000 (2021: £976,000) was held with JPMorgan Chase N.A. A net amount of interest of £171,000 (2021: £nil) was receivable by the Company during the year from JPMorgan Chase N.A. of which £nil (2021: £nil) was outstanding at the year end.

Please see below for details of the Directors' remuneration.

### Single total figure of remuneration<sup>1</sup>

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

Directors	2022 Total £	2021 Total £
John Scott	60,000	60,000
Helen Green	50,000	50,000
Simon Holden	54,000	54,000
Chris Russell	42,000	42,000
<b>Total</b>	<b>206,000</b>	<b>206,000</b>

<sup>1</sup> Other subject headings for the single figure table are not included because there is nothing to disclose in relation thereto.

Whilst not required by the Company and not constituting part of the Directors' remuneration, the Directors own shares in the Company. The Directors' received a dividend from their shares over the reporting period commensurate with their shareholdings, which does not constitute part of their remuneration. There are no balances payable to the Directors at the year end.

### 20. Disclosures regarding financial instruments measured at fair value

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

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

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

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

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

Categorisation within the hierarchy has been determined on the basis of the lowest level input that is significant to the fair value measurement of the relevant asset. Details of the valuation techniques used by the Company are given in note 2 on pages 65 to 68.

## Notes to the Financial Statements

### 20. Disclosures regarding financial instruments measured at fair value (continued)

The following tables set out the fair value measurements using the IFRS 13 hierarchy at 28th February:

	2022			
	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
<b>Financial instruments held at fair value through profit or loss</b>				
<b>As at 28th February 2022</b>				
Equity investments	42,013	—	—	42,013
Debt securities	—	2,188	—	2,188
Private Collective Investment Schemes <sup>1</sup>	—	—	160,466	160,466
Liquidity funds <sup>2</sup>	123	—	—	123
<b>Total</b>	<b>42,136</b>	<b>2,188</b>	<b>160,466</b>	<b>204,790</b>
	2021			
	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
<b>Financial instruments held at fair value through profit or loss</b>				
<b>As at 28th February 2021</b>				
Equity investments	38,841	—	—	38,841
Debt securities	—	2,045	—	2,045
Private Collective Investment Schemes <sup>1</sup>	—	—	122,564	122,564
Liquidity funds <sup>2</sup>	18,891	—	—	18,891
<b>Total</b>	<b>57,732</b>	<b>2,045</b>	<b>122,564</b>	<b>182,341</b>

<sup>1</sup> Consists of the Private Collective Investment Schemes: Infrastructure Investments Fund UK 1 LP, Strategic Property Fund FIV5 (Lux) SCSp, Strategic Property Fund Asia SCSp, Global Transport Income Fund Feeder Partnership SCSp and U.S. Real Estate Mezzanine Debt Fund Feeder (Lux) SCSp. (2021: Private Collective Investment Schemes: Infrastructure Investments Fund UK 1 LP, Strategic Property Fund FIV5 (Lux) SCSp, Strategic Property Fund Asia SCSp and Global Transport Income Fund Feeder Partnership SCSp).

<sup>2</sup> Presented under Cash and cash equivalents in Statement of Financial Position.

There were no transfers between Level 1, 2 or 3 during the year (year ended 28th February 2021: same).

A reconciliation of the movement in level 3 financial instruments for the year ended 28th February 2022 is set out below.

	2022	2021
	Total	Total
	£'000	£'000
<b>Level 3</b>		
At 28th February 2021	122,564	32,448
Commitment drawdown in the year	29,227	100,550
Dividend distributions <sup>1</sup>	(1,319)	(672)
Expenses such as Management fees <sup>2</sup>	(880)	—
Interest on commitments drawdown but not yet utilised	54	—
Unrealised gain/(loss) on investments	10,820	(9,762)
<b>As at 28th February 2022</b>	<b>160,466</b>	<b>122,564</b>

<sup>1</sup> In relation to Strategic Property Fund FIV5 (Lux) SCSp, Global Transport Income Fund Feeder Partnership SCSp, Strategic Property Fund Asia SCSp and Infrastructure Investments Fund UK 1 LP.

<sup>2</sup> In relation to Global Transport Income Fund Feeder Partnership SCSp, Strategic Property Fund Asia SCSp and Infrastructure Investments Fund UK 1 LP.

## Notes to the Financial Statements

The level 3 financial instruments consists of the Private Collective Investment Schemes: Infrastructure Investments Fund UK 1 LP, Strategy Property Fund FIV5 (Lux) SCSp, Strategic Property Fund Asia SCSp and Global Transport Income Fund Feeder Partnership SCSp and U.S. Real Estate Mezzanine Debt Fund Feeder (Lux) SCSp.

The valuation of the Private Collective Investment Schemes (Strategy Property Fund FIV5 (Lux) SCSp, Strategic Property Fund Asia SCSp, Infrastructure Investments Fund UK 1 LP and Global Transport Income Fund Feeder Partnership SCSp) is based upon the latest available valuation (31st December 2021) provided by the unlisted private fund's manager and, because this valuation is non-coterminous with the Company's year-end, adjusted for estimated income and capital returns, as per note 3.1(b). Both of these elements of the valuation are considered to be unobservable inputs of the level 3 financial instrument valuation.

The latest available valuation for Strategy Property Fund FIV5 (Lux) SCSp was \$12.03 per unit (2021: \$10.31 per unit) and the estimated income and capital return was \$0.12 per unit (2021: \$0.14 per unit).

The latest available valuation for Infrastructure Investments Fund UK 1 LP was \$0.90 per unit (2021: \$0.96 per unit) and the estimated capital return was \$(0.02) per unit (2021: \$(0.02) per unit).

The latest available valuation for Strategic Property Fund Asia SCSp was \$116.45 per unit and the estimated income and capital return was \$(4.10) per unit.

The latest available valuation for Global Transport Income Fund Feeder Partnership SCSp was \$107.34 per unit and the estimated income and capital return was \$3.70 per unit.

As at the year-end date, the called-up capital for the U.S. Real Estate Mezzanine Debt Fund Feeder (Lux) SCSp was non-unitised. In addition, \$766,476 (£571,000) of the total valuation of £38,552,000 of the Global Transport Income Fund Feeder Partnership SCSp was non-unitised. Therefore, the capital called approximates to the fair value as at the year-end date.

If the price per unit varied by 1% (year ended 28th February 2021: 1%), this would result in a change of £1,605,000 (year ended 28th February 2021: £1,226,000) to the valuation of the level 3 financial instruments.

### 21. Financial instruments' exposure to risk and risk management policies

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

As a closed ended investment company, the Company's investments include, but are not restricted to, equities and equity linked securities, fixed interest securities, alternative assets and derivatives held for the long term so as to secure its investment objective stated on the 'Features' page. In pursuing this objective, the Company is exposed to a variety of financial risks that could result in a reduction in the Company's net assets or a reduction in the profits available for dividends.

These financial risks include market risk (comprising currency risk, interest rate risk and other price risk), liquidity risk and credit risk.

The Company Secretary, in close cooperation with the Board and the Manager, coordinates the Company's risk management policy.

The objectives, policies and processes for managing the risks and the methods used to measure the risks are set out below.

The Company's classes of financial instruments are as follows:

- investments in equity shares, fixed interest securities, private collective investment schemes and derivatives, which are held in accordance with the Company's investment objective;
- cash held within a liquidity fund;
- short term debtors, creditors and cash arising directly from its operations; and
- short term forward foreign currency contracts, the purpose of which is to manage the currency risk arising from the Company's investment activities.

#### (a) Market risk

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

## Notes to the Financial Statements

### 21. Financial instruments' exposure to risk and risk management policies (continued)

#### (a) Market risk (continued)

##### (i) Currency risk

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

##### Management of currency risk

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

##### Foreign currency exposure

The fair value of the Company's monetary items that have foreign currency exposure at 28th February 2022 are shown below. Where the Company's equity investments (which are not monetary items) are priced in a foreign currency, they have been included separately in the analysis so as to show the overall level of exposure.

	2022		
	US		
	Dollar £'000	Others £'000	Total £'000
Current assets	1,645	80	1,725
Creditors	(25)	—	(25)
Foreign currency exposure on net monetary items	1,620	80	1,700
Investments held at fair value through profit or loss	188,418	14,942	203,360
<b>Total net foreign currency exposure</b>	<b>190,038</b>	<b>15,022</b>	<b>205,060</b>

	2021		
	US		
	Dollar £'000	Others £'000	Total £'000
Current assets	20,284	56	20,340
Creditors	(237)	—	(237)
Foreign currency exposure on net monetary items	20,047	56	20,103
Investments held at fair value through profit or loss	148,467	13,805	162,272
<b>Total net foreign currency exposure</b>	<b>168,514</b>	<b>13,861</b>	<b>182,375</b>

In the opinion of the Directors, the above year end amounts are broadly representative of the exposure to foreign currency risk.

##### Foreign currency sensitivity

The following table illustrates the sensitivity of profit/loss after taxation for the year and net assets with regard to the Company's monetary financial assets and financial liabilities and exchange rates. The sensitivity analysis is based on the Company's monetary currency financial instruments held at each balance sheet date and the income receivable in foreign currency and assumes a 10% (2021: 10%) appreciation or depreciation in sterling against the currencies to which the Company is exposed, which is considered to be a reasonable illustration based on the volatility of exchange rates during the year.

## Notes to the Financial Statements

	2022		2021	
	If sterling strengthens	If sterling weakens	If sterling strengthens	If sterling weakens
	by 10%	by 10%	by 10%	by 10%
	£'000	£'000	£'000	£'000
Statement of Comprehensive Income				
– return after taxation				
Total return after taxation for the year	(750)	750	(2,294)	2,294
<b>Net assets</b>	<b>(750)</b>	<b>750</b>	<b>(2,294)</b>	<b>2,294</b>

In the opinion of the Directors, the above sensitivity analysis is broadly representative of the current year.

### (ii) Interest rate risk

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

Interest rate movements may affect:

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

#### Management of interest rate risk

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

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

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

#### Interest rate exposure

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

	2022		
	Within one year £'000	More than one year £'000	Total £'000
<b>Exposure to floating interest rates:</b>			
JPMorgan US Dollar Liquidity Fund	112	—	112
JPMorgan Sterling Liquidity Fund	11	—	11
Cash and cash equivalents	1,052	—	1,052
<b>Exposure to fixed interest rates:</b>			
Investments held at fair value through profit or loss	—	2,188	2,188
<b>Net exposure to interest rates</b>	<b>1,175</b>	<b>2,188</b>	<b>3,363</b>

## Notes to the Financial Statements

### 21. Financial instruments' exposure to risk and risk management policies (continued)

#### (a) Market risk (continued)

##### (ii) Interest rate risk (continued)

	Within one year £'000	More than one year £'000	2021 Total £'000
<b>Exposure to floating interest rates:</b>			
JPMorgan US Dollar Liquidity Fund	18,630	—	18,630
JPMorgan Sterling Liquidity Fund	261	—	261
Cash and cash equivalents	976	—	976
<b>Exposure to fixed interest rates:</b>			
Investments held at fair value through profit or loss	—	2,045	2,045
<b>Net exposure to interest rates</b>	<b>19,867</b>	<b>2,045</b>	<b>21,912</b>

Interest receivable on cash balances is at a margin below SONIA.

The objective of each of the Liquidity Funds is to achieve a return in the Reference Currency in line with prevailing money market rates whilst aiming to preserve capital consistent with such rates and to maintain a high degree of liquidity.

#### Interest rate sensitivity

The following table illustrates the sensitivity of loss after taxation for the year and net assets to a 1% (2021: 1%) increase or decrease in interest rate in regards to monetary financial assets and investments.

This level of change is considered to be a reasonable illustration based on observation of current market conditions. The sensitivity analysis is based on the monetary financial instruments held at the balance sheet date, with all other variables held constant.

	2022		2021	
	1% Increase in rate £'000	1% Decrease in rate £'000	1% Increase in rate £'000	1% Decrease in rate £'000
Statement of Comprehensive Income				
– return after taxation				
Total return after taxation for the year	12	(12)	199	(199)
<b>Net assets</b>	<b>12</b>	<b>(12)</b>	<b>199</b>	<b>(199)</b>

In the opinion of the Directors, the above sensitivity analysis is broadly representative of the whole year as the level of exposure to floating interest rates may fluctuate.

##### (iii) Other price risk

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

#### Management of other price risk

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

## Notes to the Financial Statements

### Other price risk exposure

The Company's exposure to other changes in market prices at 28th February on its investments are as follows:

	2022 £'000	2021 £'000
Equity investments held at fair value through profit or loss	38,209	34,432
Interest rate securities	2,188	2,045
Convertible preference	3,804	4,409
Private collective investment schemes	160,466	122,564
	<b>204,667</b>	<b>163,450</b>

### Other price risk sensitivity

The following table illustrates the sensitivity of loss after taxation for the year and net assets to an increase or decrease of 10% (2021: 10%) in the fair value of investments. This level of change is considered to be a reasonable illustration based on observation of current market conditions. The sensitivity analysis is based on investments and adjusting for change in the management fee, but with all other variables held constant.

The other price sensitivity analysis is based on the valuation of investments directly held by the Company. For underlying investment funds this is based on the net assets of such underlying funds as included in the Company's portfolio of investments at reporting date.

The value of certain investments, in particular positions held in underlying funds may vary due to currency, interest rate and credit risks and such risks are not directly considered in the other price risk sensitivity analysis.

Effect of a 10% increase in fair value:

	2022		2021	
	10% Increase in fair value £'000	10% Decrease in fair value £'000	10% Increase in fair value £'000	10% Decrease in fair value £'000
Statement of Comprehensive Income				
– return after taxation				
Total return after taxation for the year	20,273	(20,273)	16,188	(16,188)
<b>Net assets</b>	<b>20,273</b>	<b>(20,273)</b>	<b>16,188</b>	<b>(16,188)</b>

### (b) Liquidity risk

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

#### Management of the risk

Liquidity risk is not currently significant as the Company's assets comprise a significant portion of readily realisable securities, which can be sold to meet funding requirements if necessary. Short term flexibility is achieved through the use of overdraft facilities.

## Notes to the Financial Statements

### 21. Financial instruments' exposure to risk and risk management policies (continued)

#### (b) Liquidity risk (continued)

##### Liquidity risk exposure

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

	2022				Total £'000
	More than three months but not more than one year			More than one year	
	Three months or fewer	£'000	£'000	£'000	
Creditors: amounts falling due within one year					
Securities purchased awaiting settlement	25	—	—	—	25
Other creditors and accruals	291	—	—	—	291
Outstanding commitment to invest in units of private collective investment schemes <sup>1</sup>	—	6,288	—	—	6,288
	<b>316</b>	<b>6,288</b>	<b>—</b>	<b>—</b>	<b>6,604</b>

<sup>1</sup> Outstanding commitments are estimated forecasted calls as at 28th February 2022.

	2021				Total £'000
	More than three months but not more than one year			More than one year	
	Three months or fewer	£'000	£'000	£'000	
Creditors: amounts falling due within one year					
Securities purchased awaiting settlement	222	—	—	—	222
Other creditors and accruals	392	—	—	—	392
Outstanding commitment to invest in units of private collective investment schemes <sup>1</sup>	—	18,588	—	—	18,588
	<b>614</b>	<b>18,588</b>	<b>—</b>	<b>—</b>	<b>19,202</b>

<sup>1</sup> Outstanding commitments are estimated forecasted calls as at 28th February 2021.

The liabilities shown above represent future contractual payments and therefore may differ from the amounts shown in the Statement of Financial Position.

#### (c) Credit risk

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

##### Management of credit risk

##### Portfolio dealing

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

## Notes to the Financial Statements

### Cash and cash equivalents

Counterparties are subject to regular credit analysis by the Manager and deposits can only be placed with counterparties that have been approved by JPMAM's Counterparty Risk Group. The Board regularly reviews the counterparties used by the Manager.

Cash and cash equivalents comprise balances held at JPMorgan Chase Bank, N.A. (credit rating of AA). Liquidity Funds in which the Company invests have credit ratings of AAA.

### Exposure to JPMorgan Chase and Bank of New York Mellon

JPMorgan Chase Bank, N.A. is the custodian of the Company's assets. The Company's assets are segregated from JPMorgan Chase's own trading assets. Therefore these assets are designed to be protected from creditors in the event that JPMorgan Chase was to cease trading.

The Depositary, Bank of New York Mellon (International) Limited, is responsible for the safekeeping of all custodial assets of the Company and for verifying and maintaining a record of all other assets of the Company. However, no absolute guarantee can be given on the protection of all the assets of the Company.

### Credit risk exposure

The amounts shown in the Statement of Financial Position under investments, other receivables and cash and cash equivalents represent the maximum exposure to credit risk at the year end.

#### (d) 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 in the Statement of Financial Position is a reasonable approximation of fair value.

## 22. Capital management policies and procedures

The Company's capital comprises the following:

	2022 £'000	2021 £'000
<b>Equity:</b>		
Share Premium and Reserves	206,589	183,517
<b>Total capital</b>	<b>206,589</b>	<b>183,517</b>

The Company's capital management objectives are to ensure that it will continue as a going concern and to maximise the income and capital return to its shareholders through an appropriate level of gearing.

The Board's policy is that total borrowings will not exceed 20% of net asset value at the time of drawdown.

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

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

## 23. Subsequent events

The Directors' have evaluated the period since the year end and have noted the following subsequent events:

On 24th April 2022, the Company announced that \$8.2 million (£6.3 million equivalent) of the Company's committed capital was called and funded into the US Real Estate Mezzanine Debt strategy.

On 25th April 2022, the Board declared a first dividend for the 2022/23 financial year of 1 penny per share, which was paid to shareholders on 31st May 2022.



## Regulatory Disclosures

### Alternative Investment Fund Managers Directive ('AIFMD') Disclosures (Unaudited)

#### Leverage

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

The Company's maximum and actual leverage levels at 28th February 2022 are shown below:

	Gross Method	Commitment Method
Leverage Exposure		
Maximum limit	400%	400%
Actual	100%	100%

JPMorgan Funds Limited (the '**Management Company**') is the authorised manager of JPMorgan Global Core Real Assets Limited (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 currently applying to the Management Company (the '**Remuneration Policy Statement**') can be found at

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

The Remuneration Policy applies to all employees of the Management Company, including individuals whose

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

The Board reviews and adopts the Remuneration Policy on an annual basis, and oversees its implementation, including the classification of AIFMD Identified Staff. The Board last reviewed and adopted the Remuneration Policy that applied for the 2021 Performance Year in June 2021 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 2021 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 Assets Under Management ('AUM') weighted basis.

Due to the Firm's operational structure, the information needed to provide a further breakdown of remuneration attributable to the Company is not readily available and would not be relevant or reliable. However, for context, the Management Company manages 32 Alternative Investment Funds (with 4 sub-funds) and 2 UCITS (with 42 sub-funds) as at 31st December 2021, with a combined AUM as at that date of £23.4 billion and £24.8 billion respectively.

	Fixed remuneration	Variable remuneration	Total remuneration	Number of beneficiaries
All staff of the Management Company (US\$'000s)	23,244	16,065	39,309	153

The aggregate 2021 total remuneration paid to AIFMD Identified Staff was USD \$84,714,000, of which USD \$6,570,000 relates to Senior Management and USD \$78,144,000 relates to other Identified Staff.<sup>1</sup>

<sup>1</sup> For 2021, the AIFMD identified staff disclosures include employees of the companies to which portfolio management has been formally delegated in line with the latest ESMA guidance.

### Securities Financing Transactions Regulation ('SFTR') Disclosure (Unaudited)

The Company does not engage in Securities Financing Transactions – as defined in Article 3 of Regulation (EU) 2015/2365 securities financing transactions include repurchase transactions, securities or commodities lending and securities or commodities borrowing, buy-selling back transactions or sell-buy back transactions and margin lending transactions – or Total Return Swaps. Accordingly, disclosures required by Article 13 of the Regulation are not applicable for the year ended 28th February 2022.



## Notice of Annual General Meeting

Notice is hereby given that the third Annual General Meeting ('AGM') of JPMorgan Global Core Real Assets Limited (the 'Company') will be held at the 1st Floor, Les Echelons Court, Les Echelons, South Esplanade, St Peter Port, Guernsey GY1 1AR on Friday, 5th August 2022 at 12 noon for the following purposes:

1. To receive the Directors' Report & Accounts and the Auditor's Report for the year ended 28th February 2022.
2. To approve the Company's Remuneration Policy.
3. To approve the Directors' Remuneration Report for the year ended 28th February 2022.
4. To re-elect John Scott as a Director of the Company.
5. To re-elect Helen Green as a Director of the Company.
6. To re-elect Simon Holden as a Director of the Company.
7. To re-elect Chris Russell as a Director of the Company.
8. To re-appoint PricewaterhouseCoopers CI LLP as Auditor of the Company and to authorise the Directors to determine their remuneration.
- (iv) any purchase of ordinary shares will be made in the market for cash at prices below the prevailing net asset value per ordinary share (as determined by the Directors);
- (v) the authority hereby conferred shall expire on 4th February 2024 unless the authority is renewed at the Company's annual general meeting in 2023 or at any other general meeting prior to such time; and
- (vi) the Company may make a contract to purchase ordinary shares under the authority hereby conferred prior to the expiry of such authority which contract will or may be executed wholly or partly after the expiry of such authority and may make a purchase of its ordinary shares pursuant to any such contract.

### Approval of dividend policy – Ordinary Resolution

10. To approve the Company's dividend policy to continue to pay four quarterly interim dividends during the year.

By order of the Board

**Alison Vincent, for and on behalf of JPMorgan Funds Limited,**  
Secretary

1st July 2022

### Special Business

To consider the following resolutions:

#### Authority to repurchase the Company's shares – Ordinary Resolution

9. THAT the Company be generally and subject as herein after appears unconditionally authorised in accordance with The Companies (Guernsey) Law, 2008 as amended to make market purchases of its issued ordinary shares in the capital of the Company, which may be cancelled or held as treasury shares, on such terms and in such manner as the Directors shall determine,

PROVIDED ALWAYS THAT

- (i) the maximum number of ordinary shares hereby authorised to be purchased shall be a maximum number of up to 32,589,452 ordinary shares, or, if different, that number of ordinary shares which is equal to 14.99% of the Company's issued share capital (excluding Treasury shares) as at the date of the passing of this resolution;
- (ii) the minimum price which may be paid for an ordinary share shall be 1p;
- (iii) the maximum price which may be paid for an ordinary share shall be an amount equal to the highest of: (a) 105% of the average of the middle market quotations for an ordinary share taken from and calculated by reference to the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the ordinary share is contracted to be purchased; or (b) the price of the last independent trade; or (c) the highest current independent bid;

# Notice of Annual General Meeting

## Notes

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

1. A member entitled to attend and vote at the Meeting may appoint another person(s) (who need not be a member of the Company) to exercise all or any of his rights to attend, speak and vote at the Meeting. A member can appoint more than one proxy in relation to the Meeting, provided that each proxy is appointed to exercise the rights attaching to different shares held by him. In the case of joint holders, where one or more of the joint holders purports to appoint one more proxies in respect of the same share(s), only the purported appointment submitted by the most senior holder will be accepted. Seniority shall be determined by the order in which the names of the joint holders stand in the Company's register of members in respect of the joint holdings. Proxy appointments should be submitted as early as possible and in any event no later than 12 noon on Wednesday, 3rd August 2022.

Shareholders may submit their proxy vote electronically via the Registrar's portal by visiting [www.signalshares.com](http://www.signalshares.com). To be effective, the proxy vote must be submitted at [www.signalshares.com](http://www.signalshares.com) so as to have been received no later than 12 noon on Wednesday, 3rd August 2022 or, if the meeting is adjourned, 48 hours before the time of the adjourned meeting (excluding UK non-working days). By registering on the Signal shares portal at [www.signalshares.com](http://www.signalshares.com), you can manage your shareholding, including:

- cast your vote;
- change your dividend payment instruction;
- update your address; and
- select your communication preference.

Details of how to appoint the Chairman of the Meeting or another person as your proxy are set out on [www.signalshares.com](http://www.signalshares.com) once you have selected the 'Proxy Voting' link and registered as a new user, for which you require your unique investor code, which can be found on your share certificate or tax voucher.

If you need help with voting online, please contact our Registrar, Link by email at [enquiries@linkgroup.co.uk](mailto:enquiries@linkgroup.co.uk) or you may call Link on 0371 664 0391.

Calls are charged at the standard geographic rate and will vary by provider.

Calls outside the UK will be charged at the applicable international rate.

If you hold your Shares in uncertificated form (that is, in CREST) you may appoint a proxy by completing and transmitting the appropriate CREST message (a CREST Proxy Instruction) in accordance with the procedures set out in the CREST Manual (available via

[www.euroclear.com/CREST](http://www.euroclear.com/CREST)) so that it is received by the Registrar by no later than 12 noon on Wednesday, 3rd August 2022.

2. A proxy does not need to be a member of the Company but must attend the Meeting to represent you. Your proxy could be the Chairman, another director of the Company or another person who has agreed to attend to represent you. Details of how to appoint the Chairman or another person(s) as your proxy or proxies using the proxy form are set out in the notes to the proxy form. If a voting box on the proxy form is left blank, the proxy or proxies will exercise his/their discretion both as to how to vote and whether he/they abstain(s) from voting. Your proxy must attend the Meeting for your vote to count. Appointing a proxy or proxies does not preclude you from attending the Meeting and voting in person.
3. Any instrument appointing a proxy, to be valid, must be lodged in accordance with the instructions given on the proxy form.
4. You may change your proxy instructions by returning a new proxy appointment. Where two or more valid separate appointments of proxy are received in respect of the same share in respect of the same Meeting, the one which is last sent shall be treated as replacing and revoking the other or others. In order to terminate a proxy appointment you must serve notice of such termination on the Company before the deadline for receipt of proxy appointments.
5. To allow effective constitution of the meeting, if it is apparent to the Chairman that no shareholders will be present in person or by proxy, other than by proxy in the Chairman's favour, then the Chairman may appoint a substitute to act in his stead for any shareholder, provided that such substitute proxy shall vote on the same basis as the Chairman.
6. To be entitled to attend and vote at the Meeting (and for the purpose of the determination by the Company of the number of votes they may cast), members must be entered on the Company's register of members as at close of business two business days prior to the Meeting (the 'specified time'). If the Meeting is adjourned to a time not more than 48 hours after the specified time applicable to the original Meeting, that time will also apply for the purpose of determining the entitlement of members to attend and vote (and for the purpose of determining the number of votes they may cast) at the adjourned Meeting. If however the Meeting is adjourned for a longer period then, to be so entitled, members must be entered on the Company's register of members as close of business two business days prior to the adjourned Meeting or, if the Company gives notice of the adjourned Meeting, at the time specified in that notice.
7. Entry to the Meeting will be restricted to shareholders, with guests admitted only by prior arrangement.

## Notice of Annual General Meeting

8. A corporation, which is a shareholder, may appoint an individual(s) to act as its representative(s) and to vote in person at the Meeting (see instructions given on the proxy form). In accordance with the provisions of the Company's Articles of Incorporation, each such representative(s) may exercise the same powers as the corporation could exercise if it were an individual member of the Company, provided that they do not do so in relation to the same shares. It is therefore no longer necessary to nominate a designated corporate representative.

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

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

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

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

a matter to be included in the business only) must be accompanied by a statement setting out the grounds for the request.

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

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

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

15. As at 30th June 2022 (being the latest business day prior to the publication of this Notice), the Company's issued share capital consists of 217,407,952 ordinary Shares (excluding nil shares held in Treasury) carrying one vote each. Therefore the total voting rights in the Company are 217,407,952.

### Electronic appointment – CREST members

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

## Glossary of Terms and Alternative Performance Measures ('APMS') (Unaudited)

An APM is a numerical measure of current, historical or future financial performance, financial position or cash flow that is not defined in accounting standards or law. The following are considered APMs. For each APM a definition and calculation (where necessary) is outlined to provide further detail on each measure.

### Return to Shareholders (APM)

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

Total return calculation	Page	Year ended	Year ended
		28th February 2022	28th February 2021
Opening share price (p)	9	97.2	101.5
Closing share price (p)	9	84.7	97.2
Total dividend adjustment factor <sup>1</sup>		1.045010	1.033673
Adjusted closing share price (d = b x c)		88.5	100.5
<b>Total return to shareholders (e = (d / a) - 1)</b>		<b>-8.9%</b>	<b>-1.0%</b>

<sup>1</sup> The distribution adjustment factor is calculated on the assumption that the distributions paid out by the Company are reinvested into the shares of the Company at the last traded price quoted at the ex-dividend date.

The above calculations may not sum due to roundings.

### Return on Net Assets (APM)

Total return on net asset value ('NAV') per share, on a bid value to bid value basis, assuming that all dividends paid out by the Company were reinvested, without transaction costs, into the shares of the Company at the NAV per share at the time the shares were quoted ex-dividend.

Total return calculation	Page	Year ended	Year ended
		28th February 2022	28th February 2021
Opening cum-income NAV per share (p)	9	87.9	96.8
Closing cum-income NAV per share (p)	9	95.0	87.9
Total dividend adjustment factor <sup>1</sup>		1.044711	1.035778
Adjusted closing cum-income NAV per share (d = b x c)		99.2	91.0
<b>Total return on net assets (e = d / a - 1)</b>		<b>12.9%</b>	<b>-5.9%</b>

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

The above calculations may not sum due to roundings.

In accordance with industry practice, dividends payable which have been declared but which are unpaid at the balance sheet date are deducted from the NAV per share when calculating the total return on net assets.

### Net asset value per share (APM)

The value of the Company's net assets (total assets less total liabilities) divided by the number of ordinary shares in issue. Please see note 17 on page 72 for detailed calculations.

## Glossary of Terms and Alternative Performance Measures ('APMS') (Unaudited)

### Gearing/(Net Cash) (APM)

Gearing represents the excess amount above shareholders' funds of total investments, expressed as a percentage of the shareholders' funds. If the amount calculated is negative, this is shown as a 'net cash' position.

Gearing calculation	Page	As at	As at
		28th February 2022	28th February 2021
Investments held at fair value through profit or loss	63	204,667	163,450
Net assets	63	206,589	183,517
<b>Gearing/(net cash) (c = (a / b) - 1)</b>		<b>(0.9)%</b>	<b>(10.9)%</b>
			(c)

### Ongoing charges (APM)

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

Ongoing charges calculation	Page	Year ended	Year ended
		28th February 2022	28th February 2021
Management fee	69	1,628	703
Other administrative expenses	70	1,023	642
Total management fee and other administrative expenses		2,651	1,345
Average daily cum-income net assets		196,366	193,965
<b>Ongoing charges (c = a / b)</b>		<b>1.35%</b>	<b>0.69%</b>
			(c)

### Share Price Premium/(Discount) to Net Asset Value ('NAV') per Share (APM)

If the share price of an investment trust is higher than the NAV per share, the shares are said to be trading at a premium. The premium is shown as a percentage of the NAV per share. The opposite of a premium is a discount.

## Where to Buy J.P. Morgan Investment Trusts

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

### 1. Via a third party provider

Third party providers include:

AJ Bell You Invest	Halifax Share Dealing
Barclays Smart Investor	Hargreaves Lansdown
Charles Stanley Direct	Interactive Investor
Selftrade	EQi
Fidelity Personal Investing	

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

The Board encourages all of its shareholders to exercise their rights and notes that many specialist platforms provide shareholders with the ability to receive company documentation, to vote their shares and to attend general meetings, at no cost. Please refer to your investment platform for more details, or visit the Association of Investment Companies' ('AIC') website at [www.theaic.co.uk/aic/shareholder-voting-consumer-platforms](http://www.theaic.co.uk/aic/shareholder-voting-consumer-platforms) for information on which platforms support these services and how to utilise them.

### 2. Through a professional adviser

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

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

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

## Be ScamSmart

### Investment scams are designed to look like genuine investments

#### Spot the warning signs

Have you been:

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

If so, you might have been contacted by fraudsters.

#### Avoid investment fraud

##### 1 Reject cold calls

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

##### 2 Check the FCA Warning List

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

##### 3 Get impartial advice

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

#### Report a Scam

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

If you have lost money to investment fraud, you should report it to Action Fraud on 0300 123 2040 or online at [www.actionfraud.police.uk](http://www.actionfraud.police.uk)

**Find out more at**  
[www.fca.org.uk/scamsmart](http://www.fca.org.uk/scamsmart)

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



## Information About the Company

### FINANCIAL CALENDAR

Financial year-end date	28th/29th February
Distributions payable	February, May, August and November
Final results announced	June/July
Annual General Meeting	July/August
Half year end	31st August
Half year results announced	November

### History

JPMorgan Global Core Real Assets Limited is a Guernsey-incorporated investment company which was launched in September 2019.

### Directors

John Scott (Chairman)  
Helen Green  
Simon Holden  
Chris Russell

### Company Numbers

Company Registration Number: 66082  
London Stock Exchange ISIN Code: GGO0BJVKW831  
Bloomberg: JARA  
LEI: 549300D8JHZTH6GI8F97  
SEDOL: BJVKW83

### Market Information

The Company's unaudited net asset value ('NAV') is published quarterly 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, and on the Company's website at [www.jpmrealassets.co.uk](http://www.jpmrealassets.co.uk), where the share price is updated every 15 minutes during trading hours.

### Website

The Company's website can be found at [www.jpmrealassets.co.uk](http://www.jpmrealassets.co.uk) and includes useful information about the Company, such as daily prices, factsheets and will include current and historic half year and annual reports once available.

### Share Transactions

The Company's shares may be dealt in directly through a stockbroker or professional adviser acting on an investor's behalf.

### 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 and administrative matters, please contact Alison Vincent at the above address.

### Depository

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

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

### Custodian

J.P. Morgan Chase Bank, National Association  
25 Bank Street  
Canary Wharf  
London E14 5JP

### Registrar

Link Asset Services (Guernsey) Limited  
Mont Crevelt House  
Bulwer Avenue  
St Sampson  
Guernsey GY2 4LH  
Telephone number: 0371 664 0300

(Calls cost 10p per minute plus network extras)

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

Email: [enquiries@linkgroup.co.uk](mailto:enquiries@linkgroup.co.uk)

Registered shareholders can obtain further details on their holdings on the internet by visiting [www.signalshares.com](http://www.signalshares.com)

### Independent Auditor

PricewaterhouseCoopers CI LLP  
PO Box 321  
Royal Bank Place  
1 Glategny Esplanade  
St Peter Port  
Guernsey GY1 4ND

### Broker

Investec Bank plc  
30 Gresham Street  
London EC2V 7OP



The Association of  
Investment Companies

A member of the AIC

## CONTACT

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ASSET MANAGEMENT