



JPMorgan Russian Securities plc

Half Year Report & Financial Statements
for the six months ended 30th April 2022

Key Features

Investment Objective

To maximise total return to shareholders from a diversified portfolio of investments primarily in quoted Russian securities.

Investment Policies

To maintain a diversified portfolio of investments primarily in quoted Russian securities, or other companies which operate principally in Russia.

The Company may also invest up to 10% of its gross assets in companies that operate, or are located in, former Soviet Union Republics.

Investment Limits and Restrictions

The Board seeks to manage some of the Company's risks by imposing various investment limits and restrictions.

- No more than 10% of the Company's gross assets are to be invested in companies that operate, or are located in, former Soviet Union Republics.
- The Company will not normally invest in unlisted securities.
- At the time of purchase, the maximum permitted exposure to each individual company is 15% of the Company's gross assets.
- The Company will not normally invest in derivatives.
- The Company will utilise liquidity and borrowings in a range of 10% net cash to 15% geared, in typical market conditions.
- No more than 15% of gross assets are to be invested in other UK listed investment companies (including investment trusts).

Benchmark

Following Russia's invasion of Ukraine on 24th February 2022, the Moscow Exchange (MOEX) has been closed to many overseas investors, including the Company. This has resulted in the Company being prohibited from trading, thereby negating the purpose of measuring the Company's performance against its benchmark. Furthermore, data from many Russian benchmarks, including the Company's (RTS index in sterling terms), will no longer be distributed by western news services after 30th June 2022.

Capital Structure

At 30th April 2022, the Company's share capital comprised 40,436,176 ordinary shares of 1p each.

Continuation Vote and Tender

A resolution that the Company continue as an investment trust will be put to Shareholders at the Annual General Meeting in 2027 and every five years thereafter.

If the next continuation vote in 2027 is approved, the Board has committed to making a tender offer to shareholders for up to 25% of the outstanding share capital at NAV less costs, and less a discount of 2% if, over the five years from 1st November 2021, the Company's net asset value total return in sterling on a cum income basis is below the total return of the benchmark in sterling terms. Changes that may be required to the above policy due to the closure of the Moscow Exchange following Russia's invasion of Ukraine in February 2022 and its impact on the benchmark will be notified in due course.

Discount Control

Due to the current market turbulence since Russia's invasion of Ukraine in February 2022, the Company will not be buying back shares in the Company.

Management Company and Company Secretary

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').

FCA regulation of 'non-mainstream pooled investments'

The Company currently conducts its affairs so that the shares issued by JPMorgan Russian Securities plc can be recommended by independent financial advisers to ordinary retail investors in accordance with the Financial Conduct Authority (FCA) rules 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 trust.

Association of Investment Companies (AIC)

The Company is a member of the AIC. www.theaic.co.uk

Website

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

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Financial highlights

Total returns (including dividends reinvested) to 30th April 2022

	6 Months	3 Years Cumulative	5 Years Cumulative	10 Years Cumulative	From 1st November 2021 ⁴
Return to shareholders ^{1,A}	-87.1%	-77.7%	-70.5%	-69.7%	-87.1%
Return on net assets ^{2,A}	-95.0%	-91.8%	-89.6%	-88.5%	-94.9%
Benchmark return ^{1,3}	N/A	N/A	N/A	N/A	N/A
Net asset return compared to benchmark return ³	N/A	N/A	N/A	N/A	N/A

¹ Source: Morningstar.² Source: Morningstar/J.P. Morgan, using cum income net asset value per share.³ Following Russia's invasion of Ukraine on 24th February 2022, the Moscow Exchange (MOEX) has been closed to many overseas investors, including the Company. This has resulted in the Company being prohibited from trading, thereby negating the purpose of measuring the Company's performance against its benchmark. Furthermore, data from many Russian benchmarks, including the Company's, will no longer be distributed by western news services after 30th June 2022. The Company's benchmark was the RTS index in sterling terms. Prior to 1st November 2016, the Company's benchmark was the MSCI Russian 10/40 Equity Indices Index in sterling terms.⁴ 1st November 2021 is the commencement date for the tender offer performance period. See Continuation Vote and Tender on Key Features page for further details.^A Alternative Performance Measure ('APM').

A glossary of terms and APMs is provided on page 23.

Financial Highlights

Summary of results

	30th April 2022	31st October 2021	% change
Shareholders' funds (£'000)	19,032	397,015	-95.2
Net asset value per share ^A	47.1p	973.6p	-95.2 ¹
Share price	107.5p	864.0p	-87.6 ²
Share price premium/(discount) to net asset value per share ^A	128.4%	(11.3)%	
Shares in issue	40,436,176	40,776,176	
Revenue return per share	10.56p	35.53p	
Net cash	16.5%	2.8%	
Ongoing charges ^A	1.24%	1.21%	

¹ % change, excluding dividends paid. Including dividends, the returns would be -95.0%.

² % change, excluding dividends paid. Including dividends, the return would be -87.1%.

^A Alternative Performance Measure ('APM').

A glossary of terms and APMs is provided on page 23.

Historic dividends Pence per Share

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Interim	—	—	—	6.0	15.0	20.0	25.0	25.0	15.0	15.0
Final	15.3	13.0	17.0	8.0	6.0	6.0	10.0	10.0	10.0	—
Total	15.3	13.0	17.0	14.0	21.0	26.0	35.0	35.0	25.0	15.0

Chairman's Statement



Eric Sanderson
Chairman

Overview and Performance

Performance in the period can be divided into two parts. Performance from 1st November 2021 to 23rd February 2022 was satisfactory, but that all changes thereafter and it saddens me to report that the tragic events in Ukraine since Russia's military invasion commenced on 24th February 2022 and imposition of strict economic sanctions on Russia and Belarus that followed have drastically reduced the valuation of the Company's assets in this six-month reporting period to 30th April 2022.

The sanctions and restrictions that followed the invasion were wide ranging and had a very sharp negative effect on the Company and international markets. We have detailed the main changes that have happened since the invasion in a schedule of Frequently Asked Questions, which can be found on page 25 of this Half Year Report and Financial Statements. In summary, the changes have included the closure of the Moscow Exchange (MOEX) to trading by overseas investors, unavailability of prices on RDXUSD (Russian Depositary Index USD) and prices of American Depositary Receipts (ADR) and Global Depositary Receipts (GDR), the prohibition of dividend payments by Russian companies to western shareholders and cessation of reporting of the Company's benchmark data by western registered news services.

These restrictions have had a severe negative impact on the value of the Company's portfolio because as required under the terms of the Company's Investment Objective, almost all of the Company's portfolio consisted of Russian equities. Notwithstanding the values at which stocks are traded on the local market without access to the Russian equity market following the invasion of Ukraine, it has been necessary to fair value Russian company stocks in the Company's portfolio, resulting in a massive reduction in the Company's net asset value. The Company's net asset value has continued to be published daily and as at 30th April 2022, it was 47.1 pence per share, a decline of 95.2% in this six month reporting period. Since the period end the value has fallen further and as at 26th July 2022, was 45.4 pence per share. The impact of Russia's invasion of Ukraine have resulted in some events included in the Company's list of Principal Risks becoming realities. In light of this the Board has reviewed its Principal Risks and further details can be seen on page 21 of this report.

The Company's shares have continued to trade on the London Stock Exchange throughout the reporting period, although the precipitous fall in its share value led it to leaving the FTSE All-Share Index on 17th June 2022. The Company's share price as at 30th April 2022 was 107.5 pence, a decline of 87.6% in the six month period to 30th April 2022. As at 26th July 2022 the share price was 69.5 pence. We have also seen significant changes in our share register. As some institutions reduced their holdings following the invasion there was significant demand from individuals to buy shares and consequently institutional holdings have fallen from approximately 70% to 36% as at 30th April 2022.

Proposal to Amend the Company's Investment Objective and Policies

In response to the current closure of the Russian market, the Directors have considered options to preserve value for shareholders. Therefore, the Board is in the process of requesting authorisation from the Financial Conduct Authority (FCA) to amend the Company's investment objective and policies to permit investments in Emerging Europe (including Russia), the Middle East and Africa. If FCA approval is provided, the Board will propose a resolution at a forthcoming General Meeting of shareholders. Details of the General Meeting will be detailed in a notice included in a document that will be sent to shareholders, assuming receipt of FCA approval. The Board will recommend that shareholders vote in favour of the resolution. The change in the Company's investment objective and policies will be detailed in the document referred to above that will be sent to shareholders. Subject to approval of the resolution by shareholders, the intention is that the proposed change in the Company's investment objective and policies to permit such investments will take effect following the General Meeting expected to be held as soon as possible in the autumn of 2022.

Revenue, Earnings and Dividend

The prohibition on receipt by foreign investors of dividends from Russian companies, introduced soon after the invasion, will understandably reduce the Company's revenue for the year significantly. However, revenue for the six month period to 30th April 2021 after taxation was £4,277,000 (30th April 2021: £2,399,000) and the return per share, calculated on the basis of the average number of shares in issue was 10.56 pence (30th April 2021: 5.58 pence) per share, reflecting the healthy dividend receipts before Russia's invasion of Ukraine.

Chairman's Statement

The Company paid its first interim dividend of 15 pence per share for the current financial year, which had been declared before Russia's invasion of Ukraine. No further dividends will be paid in the current circumstances. See above details of the reasons for the dramatic reduction in the Company's revenues.

Directors

During this six month reporting period two of the Company's directors, Tamara Sakovska and Ashley Dunster resigned, following Russia's occupation of Ukraine. Tamara Sakovska is a Ukrainian citizen and felt she could no longer serve on the Board of a company investing in Russia. Ashley Dunster had a conflict of interest that meant he too felt he must step down. In line with the Company's succession plan, as announced on 4th October 2021, Gill Nott, the Company's former Chairman did not stand for reappointment at the Company's AGM on 4th March 2022. Prior to the date of Gill's departure, the Board had unanimously agreed that I would be appointed as the Company's Chairman immediately following the AGM. Dan Burgess became the Audit Committee Chair immediately following the Company's AGM on 4th March 2022. Dan Burgess was appointed as a Director of the Company on 4th January 2022 after a thorough selection process using the services of an independent third-party search agent.

The current intention is for the Board to continue with a complement of three directors during the current difficult period with no current plans for recruitment of additional directors.

Investment Management

Oleg Biryulyov and Habib Saikaly continue to be the Company's Investment Managers supported by JPMorgan Asset Management's Emerging Markets and Asia Pacific equities team (EMAP), which consists of 100+ investment professionals based in both the UK and overseas. The Company benefits greatly from the extensive experience of the investment management team that have many years of experience of investing in Russia and emerging markets through previous severe global market disruptions. The Board receives regular reports on the service levels of the Manager and its key service providers and the Board is satisfied with the current levels of service.

Outlook

If current levels of public concern in much of the West about the humanitarian crisis unfolding in Ukraine continues, many Western governments will be under pressure to permanently and significantly reduce their reliance on Russian energy supplies. This, together with the continuing exclusion of Russia from Western financial systems may destabilise and isolate Russia to such an extent that holding investments in the country becomes prohibited and/or unviable.

Although the outlook for the Company is uncertain, it is capable of continuing as a going concern for at least several years and it is the Board's hope that it will be possible to amend the Company's investment objective and policies as referred to above and help steer the Company through this difficult period and preserve as much value in the Company for shareholders as possible.

With much of the Company's portfolio effectively 'frozen' for the foreseeable future, this half year report will not include the usual report from the Investment Managers. It is intended that the schedule of Frequently Asked Questions included on page 25 of this Half Year Report, as referred to above, will address many of the questions that shareholders may have. Updates on the Company's portfolio can be viewed via RNSs' released on the London stock Exchange and via the Company's website www.jpmmrussian.com

Eric Sanderson
Chairman

27th July 2022

Portfolio Analysis

Sector

	30th April 2022		31st October 2021	
	Portfolio % ¹	Benchmark %	Portfolio % ¹	Benchmark %
Financials	75.1	14.4	22.5	22.0
Energy	12.9	46.0	48.3	42.1
Materials	10.8	24.4	9.9	16.7
Communication Services	0.5	6.7	6.1	10.7
Consumer Staples	0.4	3.6	5.6	3.3
Consumer Discretionary	0.2	2.2	2.4	2.5
Health Care	0.1	—	0.9	—
Utilities	—	1.7	1.1	—
Industrials	—	1.0	—	1.2
Information Technology	—	—	3.2	—
Real Estate	—	—	—	0.1
Total	100.0	100.0	100.0	100.0

¹ Based on total investments of £15.9m (2021: £311.7m).

List of Investments

List of investments

As at 30th April 2022

Company	Valuation £'000
Financials	
Halyk Savings Bank of Kazakhstan, GDR	6,645
Kaspi.KZ, GDR	5,036
Sberbank of Russia	213
VTB Bank	40
TCS Group, GDR	2
	11,936
Energy	
NAC Kazatomprom	1,514
Gazprom including ADR	228
Lukoil Including ADR	132
Rosneft Oil	68
Gazprom Neft	49
Tatneft	44
Novatek including GDR	14
	2,049
Materials	
United Co. RUSAL International	1,577
MMC Norilsk Nickel	137
Polyus, GDR	2
Novolipetsk Steel, GDR	1
Severstal Pao, GDR	–
	1,717

Company	Valuation £'000
Communication Services	
Rostelecom	42
Yandex	26
Sistema	15
	83
Consumer Staples	
Magnit	54
X 5 Retail, GDR	1
	55
Consumer Discretionary	
Detsky Mir	33
Fix Price, GDR	4
	37
Health Care	
Md Medical Group Investments, GDR	20
	20
Total Investments	15,897

See glossary of terms and APM's on page 23 for definition of ADR and GDR. For further details regarding the valuation of the above stocks, see 'How is the Net Asset Value currently calculated?' in the list of FAQs on page 25.

Statement of Comprehensive Income

For the six months ended 30th April 2022

	(Unaudited) Six months ended 30th April 2022			(Unaudited) Six months ended 30th April 2021			(Audited) Year ended 31st October 2021		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
(Losses)/gains on investments held at fair value through profit or loss	—	(359,285)	(359,285)	—	63,689	63,689	—	141,540	141,540
Net foreign currency gains/(losses)	—	605	605	—	(273)	(273)	—	(444)	(444)
Income from investments	5,927	—	5,927	3,708	—	3,708	19,691	—	19,691
Interest receivable and similar income	2	—	2	4	—	4	10	—	10
Gross return/(loss)	5,929	(358,680)	(352,751)	3,712	63,416	67,128	19,701	141,096	160,797
Management fee	(420)	(630)	(1,050)	(599)	(898)	(1,497)	(1,302)	(1,952)	(3,254)
Other administrative expenses	(346)	—	(346)	(365)	—	(365)	(815)	—	(815)
Net return/(loss) before finance costs and taxation	5,163	(359,310)	(354,147)	2,748	62,518	65,266	17,584	139,144	156,728
Finance costs	—	—	—	(2)	—	(2)	(2)	—	(2)
Net return/(loss) before taxation	5,163	(359,310)	(354,147)	2,746	62,518	65,264	17,582	139,144	156,726
Taxation	(886)	—	(886)	(347)	—	(347)	(2,552)	—	(2,552)
Net return/(loss) after taxation	4,277	(359,310)	(355,033)	2,399	62,518	64,917	15,030	139,144	154,174
Return/(loss) per share (note 3)	10.56p	(886.70)p	(876.14)p	5.58p	145.55p	151.13p	35.53p	328.95p	364.48p

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

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

The net return after taxation represents the profit for the period and also the total comprehensive income.

Statement of Changes in Equity

	Called up share capital £'000	Capital redemption reserve £'000	Capital reserves ¹ £'000	Revenue reserve ¹ £'000	Total £'000
Six months ended 30th April 2022 (Unaudited)					
At 31st October 2021	408	193	372,107	24,307	397,015
Repurchase and cancellation of the Company's own shares	(3)	3	(2,530)	—	(2,530)
Net (loss)/return	—	—	(359,310)	4,277	(355,033)
Dividend paid in the period (note 4)	—	—	—	(20,420)	(20,420)
At 30th April 2022	405	196	10,267	8,164	19,032
Six months ended 30th April 2021 (Unaudited)					
At 31st October 2020	434	167	251,927	13,571	266,099
Repurchase and cancellation of the Company's own shares	(11)	11	(7,139)	—	(7,139)
Net return	—	—	62,518	2,399	64,917
Dividend paid in the period (note 4)	—	—	—	(4,299)	(4,299)
At 30th April 2021	423	178	307,306	11,671	319,578
Year ended 31st October 2021 (Audited)					
At 31st October 2020	434	167	251,927	13,571	266,099
Repurchase and cancellation of the Company's own shares	(26)	26	(18,964)	—	(18,964)
Net return	—	—	139,144	15,030	154,174
Dividends paid in the year (note 4)	—	—	—	(4,294)	(4,294)
At 31st October 2021	408	193	372,107	24,307	397,015

¹ These reserves form the distributable reserves of the Company and may be used to fund distributions of profits to investors.

Statement of Financial Position

At 30th April 2022

	(Unaudited) 30th April 2022 £'000	(Unaudited) 30th April 2021 £'000	(Audited) 31st October 2021 £'000
Fixed assets			
Investments held at fair value through profit or loss	15,897	311,668	385,822
Current assets			
Debtors	38	5,734	716
Cash and cash equivalents	3,254	2,521	10,951
	3,292	8,255	11,667
Current liabilities			
Creditors: amounts falling due within one year	(157)	(344)	(414)
Derivative financial liabilities	—	(1)	(60)
Net current assets	3,135	7,910	11,193
Total assets less current liabilities	19,032	319,578	397,015
Net assets	19,032	319,578	397,015
Capital and reserves			
Called up share capital	405	423	408
Capital redemption reserve	196	178	193
Capital reserves	10,267	307,306	372,107
Revenue reserve	8,164	11,671	24,307
Total shareholders' funds	19,032	319,578	397,015
Net asset value per share (note 5)	47.1p	756.0p	973.6p

Statement of Cash Flows

For the six months ended 30th April 2022

	(Unaudited) 30th April 2022 £'000	(Unaudited) 30th April 2021 £'000	(Audited) 31st October 2021 £'000
Net cash outflow from operations before dividends and interest (note 6)	(1,008)	(2,130)	(4,543)
Dividends received	5,740	3,142	16,955
Interest received	2	6	11
Overseas tax recovered	—	16	66
Interest paid	—	(2)	(2)
Net cash inflow from operating activities	4,734	1,032	12,487
Purchases of investments	(17,449)	(86,518)	(151,554)
Sales of investments	28,039	95,315	168,990
Settlement of forward currency contracts	(164)	46	29
Net cash inflow from investing activities	10,426	8,843	17,465
Repurchase and cancellation of the Company's own shares	(2,678)	(7,130)	(18,986)
Dividends paid	(20,420)	(4,299)	(4,294)
Net cash outflow from financing activities	(23,098)	(11,429)	(23,280)
(Decrease)/increase in cash and cash equivalents	(7,938)	(1,554)	6,672
Cash and cash equivalents at start of period/year	10,951	4,129	4,129
Unrealised gains/(loss) on foreign currency cash and cash equivalents	241	(54)	150
Cash and cash equivalents at end of period/year	3,254	2,521	10,951
(Decrease)/increase in cash and cash equivalents	(7,938)	(1,554)	6,672
Cash and cash equivalents consist of:			
Cash and short term deposits	1,583	2,268	313
Cash held in JPMorgan US Dollar Liquidity Fund	1,671	253	10,638
Total	3,254	2,521	10,951

Reconciliation of net debt

	As at 31st October 2021 £'000	Cash flows £'000	Other non-cash charges £'000	As at 30th April 2022 £'000
Cash and cash equivalents				
Cash	313	1,173	97	1,583
Cash equivalents	10,638	(9,111)	144	1,671
Total	10,951	(7,938)	241	3,254

Notes to the Financial Statements

For the six months ended 30th April 2022

1. Financial statements

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

The figures and financial information for the year ended 31st October 2021 are extracted from the latest published financial statements of the Company and do not constitute statutory accounts for that year. Those financial statements have been delivered to the Registrar of Companies and including the report of the auditors which was unqualified and did not contain a statement under either section 498(2) or 498(3) of the Companies Act 2006.

2. Accounting policies

The financial statements have been prepared in accordance with the Companies Act 2006, FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' of the United Kingdom Generally Accepted Accounting Practice ('UK GAAP') and with the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' (the 'SORP') issued by the Association of Investment Companies in October 2019.

FRS 104, 'Interim Financial Reporting', issued by the Financial Reporting Council ('FRC') in March 2015 has been applied in preparing this condensed set of financial statements for the six months ended 30th April 2022.

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

The accounting policies applied to this condensed set of financial statements are consistent with those applied in the financial statements for the year ended 31st October 2021.

3. Return/(loss) per share

	(Unaudited) 30th April 2022 £'000	(Unaudited) 30th April 2021 £'000	(Audited) 31st October 2021 £'000
Return/(loss) per share is based on the following:			
Revenue return	4,277	2,399	15,030
Capital (loss)/return	(359,310)	62,518	139,144
Total (loss)/return	(355,033)	64,917	154,174
Weighted average number of shares in issue	40,522,060	42,953,385	42,299,516
Revenue return per share	10.56p	5.58p	34.01p
Capital (loss)/return per share	(886.70)p	145.55p	328.95p
Total (loss)/return per share	(876.14)p	151.13p	364.48p

4. Dividends paid

	(Unaudited) 30th April 2022 £'000	(Unaudited) 30th April 2021 £'000	(Audited) 31st October 2021 £'000
2021 interim dividend paid of 25.0p	10,311	—	—
2021 final dividend of 10.0p (2021: 10.0p)	4,044	4,299	4,294
2022 interim dividend of 15.0p	6,065	—	—
Total dividends paid in the period/year	20,420	4,299	4,294

All dividends paid in the period/year have been funded from the revenue reserve.

The 2022 interim dividend was paid on 11th March 2022.

Notes to the Financial Statements

5. Net asset value per share

	(Unaudited) 30th April 2022 £'000	(Unaudited) 30th April 2021 £'000	(Audited) 31st October 2021 £'000
Net assets (£'000)	19,032	319,578	397,015
Number of shares in issue	40,436,176	42,273,400	40,776,176
Net asset value per share	47.1p	756.0p	973.6p

6. Reconciliation of net (loss)/return before finance costs and taxation to net cash outflow from operations before dividends and interest

	(Unaudited) 30th April 2022 £'000	(Unaudited) 30th April 2021 £'000	(Audited) 31st October 2021 £'000
Net (loss)/return before finance costs and taxation	(354,147)	65,266	156,728
Add capital loss/(less capital return) before finance costs and taxation	359,310	(62,518)	(139,144)
Decrease/(increase) in accrued income and other debtors	678	(214)	(125)
(Decrease)/increase in accrued expenses	(59)	14	76
Management fee charged to capital	(630)	(898)	(1,952)
Overseas withholding tax	(886)	(368)	(2,597)
Dividends received	(5,740)	(3,142)	(16,955)
Interest received	(2)	(6)	(11)
Realised gain/(loss) on foreign exchange transactions	223	(231)	(557)
Realised gain/(loss) on liquidity fund	245	(33)	(6)
Net cash outflow from operations before dividends and interest	(1,008)	(2,130)	(4,543)

7. Fair valuation of investments

The fair value hierarchy analysis for financial instruments held at fair value at the period end is as follows:

	(Unaudited) Six months ended 30th April 2022		(Unaudited) Six months ended 30th April 2021		(Audited) Year ended 31st October 2021	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1	—	—	311,668	—	385,822	—
Level 2 ^{1,2}	15,897	—	—	—	—	(60)
Total value of investments	15,897	—	311,668	—	385,822	(60)

¹ Currency contracts.

² Following Russia's invasion of Ukraine and closure of the Moscow Exchange (MOEX) to overseas investors, including the Company, a fair value was applied to the Company's holdings in Russian stocks. Therefore the Company believed it was in the best interests of the shareholders to apply an alternative valuation method and therefore, for its MOEX local stock, a fair value adjustment has been applied to the last trade price on 25th February 2022 and for American Depositary Receipts and Global Depositary Receipts a fair value adjustment has been applied to the last trade price on 2nd March 2022.

Interim Management Report

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

Principal Risks and Uncertainties

The Company is exposed to a variety of risks and uncertainties. The Board has undertaken an assessment and review of the principal risks facing the Company, together with a review of any new risks which may have arisen during the year. The Directors have considered the impact of the continued uncertainty on the Company's financial position and based on the information available to them at the date of this Report, have fair-value adjusted Russian securities in response to exchange closures and sanction activities as a result of the conflict in Ukraine. The Directors have concluded that no further adjustments are required to the accounts as at 30th April 2022. The principal risks and uncertainties faced by the Company fall into the following broad categories: investing in Russia; share price discount and Net Asset Value per share; investment underperformance and strategy; failure of investment process; loss of investment team and Manager; operational and cyber crime; board relationship and shareholders; political and economic regulatory and legal market and financial. Information on each of these areas is given in the Business Review within the Annual Report and Financial Statements for the year ended 31st October 2021. A review of risks conducted for this report concluded additional risks included unviable size of the Company, discount to share price, sanctions, Broker counter-parties, inability to trade stocks and inappropriate investment strategy. The Board is aware that due to the current situation in Russia and Ukraine, sanctions imposed by a number of jurisdictions have resulted in a downgrade in the country's credit rating, an immediate freeze of Russian assets, a decline in the value and liquidity of Russian securities, property or interests, and/or other adverse consequences. Sanctions could also result in Russia taking counter measures or other actions in response, which may further impair the value and liquidity of Russian securities.

Related Parties Transactions

During the first six months of the current financial year, except for the waiver of the management fee as referred to on page 26 of this half year report no transactions with related parties have taken place which have materially affected the financial position or the performance of the Company during the period.

Going Concern

The Directors believe, having considered the Company's investment objectives, risk management policies, capital management policies and procedures, nature of the portfolio and expenditure projections, that the Company has adequate resources, an appropriate financial structure and suitable

management arrangements in place to continue in operational existence for the foreseeable future and, more specifically, that there are no material uncertainties pertaining to the Company that would prevent its ability to continue in such operation existence for at least 12 months from the date of the approval of this half yearly financial report. In reaching that view, the Directors have considered the impact of the current sanctions regime introduced following Russia's invasion of Ukraine in February 2022 on the Company's financial and operational position. Absent the imposition of stricter sanctions and or regulatory restrictions that would prohibit the Company from holding investments in Russian stocks, the Board consider there is reasonable evidence to continue to adopt the going concern basis in preparing the accounts.

Directors' Responsibilities

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

- (i) the condensed set of financial statements contained within the half yearly financial report has been prepared in accordance with FRS 104 'Interim Financial Reporting' and gives a true and fair view of the state of affairs of the Company and of the assets/liabilities, financial position and net return/loss of the Company, as at 30th April 2021 as required by the UK Listing Authority Disclosure and Transparency Rule 4.2.4R; and
- (ii) the interim management report includes a fair review of the information required by 4.2.7R and 4.2.8R of the UK Listing Authority Disclosure and Transparency Rules.

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

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

and the Directors confirm that they have done so.

For and on behalf of the Board

Eric Sanderson
Chairman

27th July 2022

Glossary of Terms and Alternative Performance Measures ('APMS') (unaudited)

Return to Shareholders (APM)

Total return to the shareholders, 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	Six months ended 30th April 2022	
Opening share price (p)	6	864.0	(a)
Closing share price (p)	6	107.5	(b)
Total dividend adjustment factor ¹		1.037876	(c)
Adjusted closing share price (p) (d = b x c)		111.6	(d)
Total return to shareholders (e = d / a - 1)		-87.1%	(e)

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

Return on Net Assets (APM)

Total return on net asset value ("NAV") per share, on a bid value to bid value basis, assuming that all dividends paid out by the Company were reinvested, 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	Six months ended 30th April 2022	
Opening cum-income NAV per share (p)	6	973.6	(a)
Closing cum-income NAV per share (p)	6	47.1	(b)
Total dividend adjustment factor ¹		1.034122	(c)
Adjusted closing cum-income NAV per share (p) (d = b x c)		48.7	(d)
Total return on net assets (e = d / a - 1)		-95.0%	(e)

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

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 5 on page 19 for detailed calculations.

Benchmark Return

The Company's benchmark was adopted by the Company on 1st November 2016 and is a customised variation of the RTS index which is calculated by the Moscow Stock Exchange in sterling terms on a total return basis, net of the tax applicable to non-resident corporate investors. Following Russia's invasion of Ukraine on 24th February 2022, the Moscow Exchange (MOEX) has been closed to many overseas investors, including the Company. This has resulted in the Company being prohibited from trading, thereby negating the purpose of measuring the Company's performance against its benchmark. Furthermore, data from many Russian benchmarks, including the Company's, will no longer be distributed by western news services after 30th June 2022.

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.

		30th April 2022 £'000	31st October 2021 £'000	
Gearing calculation	Page			
Investments held at fair value through profit or loss	16	15,897	385,822	(a)
Net assets	16	19,032	397,015	(b)
Gearing/(net cash) (c = a / b - 1)		(16.5)%	(2.8)%	(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.

The figure as at 30th April 2022 is an estimated annualised figure based on the figures for the six months ended 30th April 2021.

		30th April 2022 £'000	31st October 2021 2021 £'000	
Ongoing charges calculation	Page			
Management Fee	14	2,100	3,254	
Other administrative expenses ¹	14	692	815	
Total management fee and other administrative expenses		2,792	4,069	(a)
Average daily cum-income net assets		225,839	336,613	(b)
Ongoing charges (c = a / b)		1.24%	1.21%	(c)

¹ Dividend charges are a significant component of other administrative expenses. The timing of the dividend receipts is heavily-weighted towards the second half of the financial year. To ensure greater comparability of ongoing charges across reporting periods, the annualised dividend charges used in the calculation of ongoing charges as at 30th April 2021 is determined as the actual expenditure for the six months to 30th April 2021 plus 50% of the dividend charges for the preceeding year-end audited financial statements.

Share price discount/premium to Net Asset Value ('NAV') per share (APM)

If the share price of an investment trust is lower than the NAV per share, the shares are said to be trading at a discount. The discount is shown as a percentage of the NAV per share. The opposite of a discount is a premium. It is more common for an investment trust's shares to trade at a discount than at a premium (page 6). Due to the market volatility following Russia's invasion of Ukraine the Company's shares have traded at a premium.

ADR/GDR

American Depositary Receipts (ADR) and Global Depositary Receipts (GDR).

ADRs are certificates that are traded on US stock exchanges representing a specified number of shares in a non-US company. ADRs are denominated and pay dividends in US dollars and may be traded like regular shares of stock.

GDRs are similar to ADRs. GDRs are certificates that are traded in multiple countries representing a specified number of shares in a foreign company.

Frequently Asked Questions

Please see below an explanation of how Russian markets are currently operating for overseas parties and a list of some of the frequently asked questions about issues effecting JPMorgan Russian Securities plc (the Company/JRS) following Russia's invasion of Ukraine on 24th February 2022 and the sanctions and restrictions that followed.

1. Russian Markets
2. JRS Operations

1. Russian Markets

Effective 28th February 2022, the Central Bank of Russia (CBR) introduced a ban on local Russian brokers from executing non-residents orders to sell Russian securities.

As of 8th March, the Moscow Stock Exchange (MOEX) remains closed to foreign investors and since 1st March trading in depositary receipts has not been possible due to the lack of counterparties and limited liquidity. On 3rd March, trading in Global Depositary Receipts (GDR) was formally suspended on the London Stock Exchange.

● Sanctions

JPMorgan Asset Management ('JPMAM') is obliged to comply with sanctions, including but not limited to those relating to the trading of certain securities which have recently become subject to sanctions.

When sanctions are imposed, JPMAM will assess the changes to our legal and regulatory obligations and take all steps necessary to comply with those obligations. JPMAM continues to monitor and assess the impact of sanctions in relation to a broad variety of risks: investment, convertibility, liquidity, custody, counterparty and settlement risk.

We are committed to meeting our obligations under US sanctions (Executive Order 14024) and any other applicable sanctions directives, including with respect to the execution of transactions for our clients, and have implemented, and will periodically review, controls reasonably designed to comply with the Executive Order, including the identification of Targeted Securities. Our transactions are consistent with US regulatory requirements and to the extent authorised and permissible by OFAC sanctions regulations and general licenses.

The Company currently owns three securities that have been sanctioned by OFAC; Sberbank, VTB and Severstal. Due to the restrictions put in place by the Russian authorities, that prohibit all trading on the Moscow Stock Exchange, the Company, in line with all other investors holding Russian stocks in similar circumstances, is currently unable to sell these securities. Additionally, Russia required that stocks held through American Depositary Receipts (ADR) and GDR programmes should be transferred to the local market although some companies have successfully appealed this decision in relation to their ADR/GDR programmes. However, the sanctions against Russia from the USA and EU have complicated the conversion process of ADR/GDRs. This is because many ADR/GDR structures involve numerous parties based in different jurisdictions. Some of these parties in the ADR/GDR structures have recently introduced restrictions in dealing with Russian based assets, so achieving the coordination of processes required for the conversion of the ADR/GDRs to take place is taking time to implement. The latest information available suggests that the transfer process has reopened for a limited period until 29th July 2022 and so the Company's manager together with other managers of ADR/GDRs in Russian stock, are working with authorities/parties to process the transfers as far as possible. A list of the Company's full portfolio of investments, including ADR and GDR holdings can be located from the Company's website at <https://am.jpmorgan.com/gb/en/asset-management/per/products/jpmorgan-russian-securities-plc-ordinary-shares-gb0032164732#/portfolio>

● Settlement

Settlement processing for foreign investors, including Delivery vs Payments (DVP) versus USD which is our standard practice, has also been banned as has the payment of income events.

Our focus is on monitoring settlement for trades, particularly local market sales where settlement for foreign investors is still subject to restrictions by the CBR. Depositary Receipt (DR) sales are settling and we do not see systemic issues in the offshore market, although there are ongoing delays.

● Dividends (due from investee companies)

Investee companies continue to pay dividends to their shareholders and such dividends are held in a custodians 'suspense account' and cannot at present be paid to overseas holders. Although these dividends are not recognised as revenue by the Company, we hope that sometime in the future we will be able to access these funds and distribute them to shareholders.

Frequently Asked Questions

2. JRS Operations

- **Are the Company's shares still trading?**

Yes, the shares of the Company have continued to be traded uninterrupted on the London Stock Exchange.

- **How is the Net Asset Value currently calculated?**

The Company considers that the reopening of the Moscow Exchange (MOEX) for limited trading hours on 24th March 2022 has not materially affected the value of its investments, given the continued inability for non-Russian nationals to trade locally and repatriate proceeds. Therefore, the Company has applied an alternative valuation method and for securities traded on MOEX a fair value adjustment has been applied to the last trade price on 25th February 2022. For American Depositary Receipts and Global Depositary Receipts a fair value adjustment has been applied to the last trade price on 2nd March 2022.

The Company has continued to announce the NAV on a daily basis.

- **Will the Company continue to pay dividends?**

The current sanctions and restrictions in Russia are expected to limit the Company's ability to pay any further dividends following the payment of the 11th March 2022. It remains the Company's intention to resume the payment of dividends when circumstances permit.

- **Have the Portfolio Managers changed their investment approach?**

Due to the sanctions and other restrictions on the Company since Russia's invasion of Ukraine, the valuation of the Company's portfolio has changed completely, with cash and cash equivalents now comprising approximately 93% of the value of the portfolio as at 26th July 2022.

We continued to run JRS in accordance with the investment objectives and policy, however, it was necessary for the Board to waive the Company's investment restriction guidelines (IRGs) as it is not possible to manage the portfolio within the IRGs, given the fair valuation policy currently in place and the high proportionate level of cash and liquidity funds.

- **Will the Company purchase any additional stocks for its portfolio?**

The Company's remaining funds will not be used to purchase further stocks for its portfolio for the foreseeable future. However, this approach may change and investors should look out for announcements from the Company on the London Stock Exchange for latest updates.

In May 2022, the Manager took the opportunity to de-risk the portfolio by selling the Company's holdings in Kazakhstan stock for cash.

- **Benchmark**

Following Russia's invasion of Ukraine on 24th February 2022, the Moscow Exchange (MOEX) has been closed to many overseas investors, including the Company. This has resulted in the Company being prohibited from trading, thereby negating the purpose of measuring the Company's performance against its benchmark. Furthermore, data from many Russian benchmarks, including the Company's, will no longer be distributed by western news services after 30th June 2022. Hence, the Board's decision that, with effect from 1st May 2022 until further notice, the Company will not have a benchmark.

The Company's benchmark has been the RTS index in sterling terms. Prior to 1st November 2016, the Company's benchmark was the MSCI Russian 10/40 Equity Indices Index in sterling terms.

- **How long can the Company continue to pay its essential running costs?**

Based on current estimates, the Company has adequate liquidity to keep running for many years. This is assisted by the Company's Manager who has waived its management fee with effect following payment of the management fee to 28th February 2022 and will apply until further notice.

- **Will the Company continue its share buyback programme?**

The Company will not be buying back shares whilst current market conditions prevail.

- **Will JPMorgan Funds Ltd continue as the Company's Manager?**

Yes.

Frequently Asked Questions

- **Will the Company continue its Continuation Vote and Tender?**

Changes may be required to the Continuation Vote and Tender details due to the closure of the Moscow Exchange following Russia's invasion of Ukraine in February 2022 and its impact on the benchmark. As this is still a developing process the Company will announce details which will be notified in due course.

The Company's performance over a five-year period to 31st October 2021 exceeded the performance of its benchmark, thereby achieving its performance related tender offer target. In addition, as shareholders approved the resolution for the Company to continue for a further five years at the Company's Annual General Meeting (AGM) on 4th March 2022, a tender offer was not required. The Board has committed to continue with a similar arrangement for the forthcoming five years. Therefore, in the absence of changes being made to the Company's Continuation Vote and Tender as outlined above, then on the basis that the Continuation Vote is passed at the Company's 2027 AGM, if the Company does not outperform its benchmark on a net asset value cum income basis over the five-year period to 31st October 2026, the Tender Offer would be for 25% (in the previous five-year period this was 20%) of the outstanding shares which would be bought back at NAV less costs and less a discount of 2%.

Note:

The above details are based on information as at 27th July 2022.

This schedule will also be available on the Company's website www.jpmmussian.co.uk

Where to buy J.P. Morgan Investment Trusts

You can invest in a J.P. Morgan investment trust through the following, please note that JPMorgan Russian Securities plc is not suitable for US investors.

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
Fidelity Personal Investing	

Please note this list is not exhaustive and the availability of individual trusts may vary depending on the provider. These are third party providers and J.P. Morgan Asset Management does not endorse or recommend any. Please observe each provider'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 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 find an investment that suits your individual circumstances. An adviser will let you know the fee for their service before you go ahead. You can find an adviser at unbiased.co.uk

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

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

Be ScamSmart

Investment scams are designed to look like genuine investments

Spot the warning signs

Have you been:

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

If so, you might have been contacted by fraudsters.

Avoid investment fraud

1 Reject cold calls

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

2 Check the FCA Warning List

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

3 Get impartial advice

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

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

Report a Scam

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

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

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



Information about the Company

FINANCIAL CALENDAR

Final results announced	January
Annual General Meeting	March
Final dividend paid	N/A
Half year end	30th April
Half year results announced	July
Interim dividend paid	N/A
Financial year end	31st October

Due to Russia's invasion of Ukraine in February 2022, the Company will not pay any further dividends in the current circumstances.

History

The Company was launched in December 2002 by a placing and offer for subscription. It is the successor Company to The Fleming Russia Securities Fund Limited, a closed-ended investment company incorporated in Jersey and listed on the Irish Stock Exchange. The Company adopted its present name on 1st March 2006.

Directors

Eric Sanderson (Chairman and Nomination Committee Chairman)
Dan Burgess (Audit Committee Chairman)
Nicholas Pink

Company Numbers

Company registration number: 4567378

Ordinary Shares

London Stock Exchange Sedol number: 0032164732
ISIN: GB0032164732
Bloomberg ticker: JRS LN
LEI: 549300II3MHI98ZLVH37

Market Information

The Company's shares are listed on the London Stock Exchange. The market price is shown daily in the Financial Times and on the JPMorgan website at www.jpmmussian.co.uk where the share price is updated every 15 minutes during trading hours.

Website

www.jpmmussian.co.uk

Share Transactions

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

Manager and Company Secretary

JPMorgan Funds Limited

Company's Registered Office

60 Victoria Embankment
London EC4Y 0JP
Telephone: 020 7742 4000

For company secretarial and administrative matters, please contact Paul Winship at the Company's registered office.

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.

Registrars

Equiniti Limited
Reference 2610
Aspect House
Spencer Road
Lancing
West Sussex BN99 6DA
Telephone number: 0371 384 2030

Lines open 8.30 a.m. to 5.30 p.m. Monday to Friday. Calls to the helpline will cost no more than a national rate call to a 01 or 02 number. Callers from overseas should dial +44 121 415 0225.

Notifications of changes of address and all enquiries regarding certificates should be sent to the Registrar quoting reference 2610.

Registered shareholders can obtain further details on individual holdings on the internet by visiting www.shareview.co.uk

Independent Auditor

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Brokers

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