



Interim Report & Accounts

JPMorgan Fund II ICVC

31 May 2011

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

The opinions and views expressed in this document are those held by J.P. Morgan Asset Management as at 15 July 2011, which are subject to change and are not to be taken as or construed as investment advice.

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

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

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

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

The information in this booklet is based on our understanding of law, regulation and HM Revenue & Customs practice as at 15 July 2011.

Authorised Corporate Director's (ACD) Report

We are pleased to present the Interim Report & Accounts of JPMorgan Fund II ICVC for the six months ending 31 May 2011.

Authorised status

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

The Company was launched as a UCITS Scheme on 29 August 2001 and acts as an umbrella company comprising of various sub-funds. Its registration number is IC127 and its registered office address is Finsbury Dials, 20 Finsbury Street, London, EC2Y 9AQ.

Structure & liabilities

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

Each sub-fund has a specific portfolio of securities to which its assets and liabilities are attributable. So far as shareholders are concerned each sub-fund is managed as a separate entity. However, if the assets of any sub-fund were insufficient to meet the liabilities attributable to it, the shortfall may have to be met out of the assets attributable to the other sub-fund in the OEIC. In the event of this

happening, the ACD would advise shareholders as soon as possible. Each sub-fund has different classes of shares which are applicable to different types of investors.

The ACD report includes for each sub-fund the:

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

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

Management and Administration

Authorised Corporate Director

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

Independent Auditors

PricewaterhouseCoopers LLP
PO Box 90, Erskine House
68-73 Queen Street
Edinburgh, EH2 4NH

Depository

The Royal Bank of Scotland plc
36 St. Andrew Square
Edinburgh, EH2 2YB
(Authorised and regulated by the Financial Services Authority)

Investment Adviser

JPMorgan Asset Management (UK) Limited
125 London Wall
London, EC2Y 5AJ
(Authorised and regulated by the Financial Services Authority)

Registrar

JPMorgan Asset Management Marketing Limited
125 London Wall
London, EC2Y 5AJ
(Authorised and regulated by the Financial Services Authority)

By order of the Authorised Corporate Director,



Mr D Watkins

Director
JPMorgan Funds Limited
London
15 July 2011



Ms T McDowall

Director
JPMorgan Funds Limited
London
15 July 2011

Investment Adviser's Report for the six months ending 31 May 2011

Market review

Global markets produced good gains for investors in the six-months under review. Optimism for a strong economic recovery drove share prices sharply higher in the first half of the review period, following the introduction of a second round of quantitative easing in the US (known as QE2), with expectations for strong corporate profits growth and a bailout for Ireland all boosting investor confidence. However, a slowdown in the global recovery weighed on sentiment from March, leading to volatility in markets over the second half of the review period.

Back in December, at the beginning of the review period, markets were supported by a number of factors. First, increased global liquidity from the US Federal Reserve's QE2 programme, which was introduced in November, helped drive optimism for a strong economic recovery. Positive readings from leading economic indicators in the developed world also supported markets, which rose sharply in December and January in anticipation of strong 2011 corporate profits growth.

Furthermore, eurozone sovereign debt concerns eased towards the end of 2010, when the European Union (EU) and International Monetary Fund (IMF) provided a rescue package for Ireland. The Irish bailout confirmed that the European Central Bank (ECB) and the EU would do everything possible to help rein in the sovereign debt crisis, calming investor nerves and helping global markets gain momentum in December and into 2011.

However, this strong momentum began to tail off towards the end of February as the global economic recovery faced a series of challenges.

First, geopolitical instability came to the fore in February, with protests breaking out in Tunisia and Egypt. Global equities largely ignored developments in the Middle East and north Africa until anti-government protests turned violent and rippled across the oil-producing countries of Bahrain and Libya. Violence escalated in March, disrupting oil production and triggering a sharp rise in oil prices.

The rise in oil prices led to worries over their impact on global economic growth, but they also added to existing inflationary pressures,

raising fears of earlier-than-anticipated interest rate rises. In the UK, the annual rate of inflation rose above 4%, more than double the Bank of England's target. Meanwhile, the ECB reacted to higher inflation data and strong economic growth in the core eurozone economies by raising interest rates by a quarter point to 1.25% in April, becoming the first major developed market central bank to tighten policy.

Another challenge to markets came in mid March when a massive 9.0 magnitude earthquake hit Japan, causing widespread damage and severe disruption to Japanese industrial production. Concerns about the repercussions of the earthquake contributed to the volatility in markets globally, particularly across the Pacific region, but also in the US and Europe, as interruptions to the supply of Japanese goods affected global production lines.

At the same time the eurozone sovereign debt crisis reared its head again as Portugal asked the EU and IMF for a rescue package. A swift bailout for Portugal reassured investors, but in May investor concerns turned to Greece, where a debt default or restructuring became increasingly likely amid burgeoning debt-to-GDP levels and missed fiscal targets. The worry is that any pain from a Greek restructuring or default would not be limited to Greece, with approximately two thirds of Greek public debt held by foreigners.

The impact of higher oil prices, the Japanese earthquake and tighter monetary policy began to come through in economic data as the review period drew to an end. In China, investors began to worry about a hard landing for the economy as industrial data softened. Meanwhile, US economic data also pointed towards a slowdown, with manufacturing activity weakening in April and May, unemployment rising and the housing market continuing to struggle.

With the imminent end of QE2 on 30 June investors became increasingly worried about the withdrawal of substantial liquidity support from the markets and the impact on growth. However, Federal Reserve officials provided some reassurance by agreeing that the exit from QE2 should be gradual and flexible.

Market outlook

The recent weakness in global economic data has led investors to question whether we are experiencing a soft patch or if this is the beginning of renewed downturn. Markets have been volatile over the past few months with a good degree of uncertainty clouding the global economic outlook, not least the ongoing worries about a Greek debt default and the uprisings in the Middle East. However, it does seem most likely we are seeing a mid-cycle soft patch and that growth will pick up again later in the year and into 2012 as oil prices stabilise and Japanese supply constraints ease.

In the US, although the Federal Reserve has signalled there are no plans for a further round of quantitative easing, it is expected to keep interest rate policy unchanged through 2011 and probably 2012 in order to support economic growth. Monetary conditions also remain very accommodative in the eurozone and Japan, and interest rates in the UK look to stay lower for longer as it is likely the Bank of England will want to delay a rate increase given the economy is just beginning to feel the full force of the government's fiscal austerity measures.

Monetary conditions are least accommodative in China. Interest rate rises and liquidity measures mean that monetary conditions have tightened significantly in recent months, suggesting a slowdown could occur over the next two-to-three quarters. However, while growth may be limited in the short term, a soft landing still looks likely for the Chinese economy.

Globally, corporate balance sheets remain healthy, particularly in the US, where companies continue to run record cash levels in their balance sheets, while gearing levels are at decade lows. Although global earnings momentum has softened, this can largely be put down to the recent shocks to global demand caused by rising oil prices and the Japanese earthquake, the effects of which should soon ease. Equities continue to look attractive when valued against bonds and investment grade credit.

JPMorgan Asset Management (UK) Limited
15 July 2011

JPM Europe Smaller Companies Fund

Investment objective and policy

To provide long-term capital growth by investing primarily in European smaller companies.

Risk profiles

This smaller companies sub-fund may include exposure to emerging European markets.

Equity investment is subject to specific risks relating to the performance of the individual companies held and the market's perception of their performance. Equities are also subject to systematic risks such as general economic conditions, inflation, interest rates, foreign exchange rates and industry sector risks. In general terms, equities tend to be more volatile than bonds.

Smaller companies' securities may be less liquid than the securities of larger companies as a result of inadequate trading volume or restrictions on trading. Smaller companies may possess greater potential for growth, but can also involve greater risks, such as limited product lines and markets, and financial or managerial resources. Trading in such securities may be subject to more abrupt price movements and greater fluctuations in available liquidity than trading in the securities of larger companies.

The underlying assets of the sub-fund are denominated in currencies other than sterling and are not hedged back to sterling. Investors will therefore be exposed to the currency risk of fluctuations between sterling and the currency denomination of the underlying assets.

Fund review

- The sub-fund's benchmark produced a positive return in the six months under review as European small-cap stocks were supported by a robust economic recovery in core economies.
- The sub-fund uses a bottom-up investment process to uncover the best growth and value stocks within the European small-cap sector. Sector positions result from our bottom-up stock selection.
- Over the period, the sub-fund delivered a positive return but underperformed its benchmark.
- Positive contributors to relative returns included stock selection and underweight positions in the banks, industrial transportation and travel & leisure sectors.
- Stock selection and overweight positions in construction & materials, support services and chemicals detracted.
- At the stock level, an underweight position in Bank of Ireland contributed positively to relative returns as rising loan losses and growing capital requirements took their toll on the banks share price in the aftermath of the Irish financial crisis.
- An overweight position in Cie Automotive was also beneficial as the Spanish auto parts maker reported a year-on-year increase in its 2010 income and said it expects to double profits in the next three years.
- Stock-level detractors included an underweight position in construction company Sacyr-Vallehermoso, which rallied after reporting better-than-expected 2010 results and a reduction in net debt on its balance sheet, which has reduced refinancing risks.

- An overweight position in Gategroup also detracted after it discovered it was victim of a CHF 22m fraud case, which the provisioning services company estimated would result in a 23% fall in 2010 earnings.
- However, relative performance was boosted by an overweight position in online retailer Yoox, which reported a sharp increase in fourth-quarter profit from a year earlier and forecast continued growth in 2011.

Fund outlook

- European small-cap stocks are attractively valued. However, concerns over softer regional and global economic data may result in some uncertainty in the near term.

12 month performance to 31 May

| | 2011 | 2010 | 2009 | 2008 | 2007 |
|------------------------------------------------------|--------------|--------------|---------------|--------------|--------------|
| JPM Europe Smaller Companies Fund A-Class Acc | 31.5% | 28.7% | -37.1% | -9.8% | 37.8% |
| JPM Europe Smaller Companies Fund I-Class Acc | 32.5% | 31.1% | -37.0% | -9.1% | 38.7% |
| Benchmark Index ^A | 29.1% | 22.5% | -25.2% | -11.9% | 35.6% |

Six month performance to 31 May 2011

| | |
|------------------------------------------------------|--------------|
| JPM Europe Smaller Companies Fund A-Class Acc | 16.5% |
| Benchmark Index ^A | 19.3% |

Fund statistics

| | |
|------------------------------|-----------------------------------------------------------------|
| Fund size | £137.5m |
| Benchmark Index ^A | HSBC Smaller European Companies ex UK (Total Return Net) |
| Fund charges | Initial 4.25%, Annual 1.50% |
| A-Class | Initial Nil, Annual 1.00% |
| I-Class | |

Top ten holdings

| | % |
|-----------------------|-----|
| Topdanmark | 1.6 |
| Wendel | 1.5 |
| Betsson 'B' | 1.4 |
| Nyrstar | 1.3 |
| Aareal Bank | 1.2 |
| Cermaq | 1.2 |
| Bechtle | 1.1 |
| TGS Nopec Geophysical | 1.1 |
| Mediolanum | 1.1 |
| Forbo | 1.1 |

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

All performance returns are calculated using the quoted price of the accumulation shares. Performance returns are in Sterling.

FX Adjusted returns have been calculated by JPMAM.

Source: J.P. Morgan.

^A On 01/10/07 the benchmark for the sub-fund was changed from HSBC Smaller European Companies ex UK Gross to the HSBC Smaller European Companies ex UK (Total Return Net).

Geographical breakdown

| | % |
|------------------|------|
| Germany | 20.4 |
| Sweden | 10.9 |
| Spain | 10.6 |
| France | 9.6 |
| Switzerland | 8.6 |
| Italy | 7.8 |
| Finland | 6.1 |
| Norway | 5.4 |
| Belgium | 4.1 |
| Denmark | 3.6 |
| Netherlands | 3.5 |
| Austria | 3.1 |
| Ireland | 2.8 |
| Greece | 0.8 |
| Portugal | 0.4 |
| Net other assets | 2.3 |

Highest/lowest share price and distribution record

| Calendar year | Highest share price | Lowest share price | Distribution per share (net) |
|------------------------------------------|---------------------|--------------------|------------------------------|
| A-Class Accumulation Shares | | | |
| 2006 | 329.2p | 255.6p | 0.63p |
| 2007 | 403.2p | 329.8p | 0.36p |
| 2008 | 372.6p | 185.9p | 3.22p |
| 2009 | 310.4p | 176.1p | 2.32p |
| 2010 | 369.8p | 270.7p | 1.23p |
| 2011 ^a | 394.3p | 343.4p | - |
| A-Class Income Shares^c | | | |
| 2007 | 53.11p | 46.04p | 0.00p |
| 2008 | 50.71p | 25.31p | 0.41p |
| 2009 | 41.63p | 23.61p | 0.32p |
| 2010 | 48.93p | 36.00p | 0.16p |
| 2011 ^a | 52.22p | 45.43p | - |
| I-Class Accumulation Shares | | | |
| 2006 | 637.5p | 491.8p | 4.48p |
| 2007 | 782.7p | 638.8p | 4.86p |
| 2008 | 727.8p | 364.2p | 10.15p |
| 2009 | 616.7p | 344.6p | 11.99p |
| 2010 | 740.8p | 540.0p | 6.57p |
| 2011 ^a | 791.7p | 688.8p | - |

^a To 31 May 2011.

^c A-Class Income Shares were launched on 1 September 2007.

Portfolio turnover rate

| | |
|----------|--------|
| 30.11.10 | 386.9% |
| 31.05.11 | 197.8% |

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

Net asset values and Total expense ratios

| Date | Net asset value per share class £'000 | Number of shares | Net asset value per share | Total expense ratio |
|------------------------------------|------------------------------------------|------------------|---------------------------|---------------------|
| A-Class Accumulation Shares | | | | |
| 30.11.08 | 96,848 | 48,381,465 | 200.2p | 1.63% |
| 30.11.09 | 123,863 | 43,732,304 | 283.2p | 1.68% |
| 30.11.10 | 122,927 | 37,642,773 | 326.6p | 1.68% |
| 31.05.11 | 136,093 | 35,772,907 | 380.4p | 1.68% |
| A-Class Income Shares | | | | |
| 30.11.08 ^d | 170 | 634,039 | 26.84p | 1.67% |
| 30.11.09 ^d | 440 | 1,167,453 | 37.66p | 1.68% |
| 30.11.10 ^d | 478 | 1,103,510 | 43.27p | 1.68% |
| 31.05.11 | 659 | 1,308,104 | 50.38p | 1.68% |
| I-Class Accumulation Shares | | | | |
| 30.11.08 | 1,937 | 493,319 | 392.6p | 1.00% |
| 30.11.09 | 760 | 135,041 | 563.2p | 1.00% |
| 30.11.10 | 664 | 101,546 | 653.8p | 1.00% |
| 31.05.11 | 768 | 100,492 | 764.3p | 1.00% |

^d The Net asset value and the Net asset value per income share are shown ex-dividend at the financial year end.

The total expense ratio (TER) takes into account the ACD fee and any fixed expenses charged to revenue expressed as a percentage of the average daily net asset values over the same period.

Portfolio statement

As at 31 May 2011

| Investment | Holding | Market value £'000 | Total net assets % |
|---------------------------------------|---------|-----------------------|-----------------------|
| Germany - 20.4% (18.5%) | | | |
| Aareal Bank | 80,511 | 1,692 | 1.2 |
| Amadeus Fire | 9,042 | 236 | 0.2 |
| Aurubis | 28,120 | 1,060 | 0.8 |
| Bauer | 10,075 | 295 | 0.2 |
| Bechtle | 56,467 | 1,555 | 1.1 |
| Bertrandt | 19,317 | 936 | 0.7 |
| Bilfinger Berger | 23,017 | 1,362 | 1.0 |
| Brenntag | 9,142 | 659 | 0.5 |
| Carl Zeiss Meditec | 31,024 | 430 | 0.3 |
| Constantin Medien | 161,967 | 291 | 0.2 |
| Delticom | 13,218 | 856 | 0.6 |
| Deutsche Wohnen | 15,659 | 150 | 0.1 |
| DEUTZ | 122,697 | 728 | 0.5 |
| Drillisch | 121,777 | 847 | 0.6 |
| Duerr | 32,239 | 740 | 0.5 |
| Elmos Semiconductor | 28,023 | 287 | 0.2 |
| Fuchs Petrolub Non-Voting Preference | 13,328 | 1,329 | 1.0 |
| GEA Group | 51,351 | 1,051 | 0.8 |
| Gerry Weber International | 36,651 | 1,461 | 1.1 |
| GFK | 13,910 | 442 | 0.3 |
| Gigaset | 22,391 | 79 | 0.1 |
| Gildemeister | 48,691 | 685 | 0.5 |
| Hugo Boss Preference | 11,884 | 674 | 0.5 |
| INDUS | 16,805 | 339 | 0.2 |
| Jungheinrich Non-Voting Preference | 24,224 | 686 | 0.5 |
| Kabel Deutschland Holding | 17,945 | 736 | 0.5 |
| Kloeckner & Co | 32,895 | 583 | 0.4 |
| Kloeckner & Co (Nil paid rights 2011) | 32,895 | 60 | - |
| Krones | 15,146 | 725 | 0.5 |
| Kuka | 36,399 | 600 | 0.4 |
| Leoni | 23,156 | 785 | 0.6 |
| Muehlbauer Holding | 3,066 | 111 | 0.1 |
| QSC | 144,015 | 381 | 0.3 |
| Rheinmetall | 10,551 | 549 | 0.4 |
| Schaltbau Holding | 1,114 | 79 | 0.1 |
| Sixt | 20,485 | 673 | 0.5 |
| Software | 19,840 | 670 | 0.5 |
| Stada-Arzneimittel | 39,937 | 1,026 | 0.7 |
| STO | 7,206 | 724 | 0.5 |
| Suss Micro | 69,296 | 631 | 0.5 |
| Tag Immobilien | 75,396 | 479 | 0.3 |
| Tognum | 18,519 | 418 | 0.3 |
| VTG | 12,264 | 190 | 0.1 |
| Sweden - 10.9% (11.7%) | | | |
| AarhusKarlshamn | 69,850 | 1,301 | 0.9 |
| Axis | 52,188 | 755 | 0.5 |
| Betsson 'B' | 131,120 | 1,967 | 1.4 |
| Betsson 'B' Redemption 2011 | 62,319 | 43 | - |
| Bilia 'A' | 111,381 | 1,327 | 1.0 |
| Billerud | 162,662 | 1,093 | 0.8 |
| Fabege | 66,997 | 445 | 0.3 |
| Fastighets Balder | 85,075 | 283 | 0.2 |
| Hexpol Class 'B' | 49,294 | 870 | 0.6 |
| JM | 44,914 | 722 | 0.5 |
| Know It | 40,529 | 342 | 0.2 |
| Kungsleden | 34,759 | 216 | 0.2 |
| Loomis 'B' | 148,500 | 1,398 | 1.0 |
| Lundin Petroleum | 50,388 | 421 | 0.3 |
| Meda 'A' | 113,448 | 762 | 0.6 |
| NCC 'B' | 47,972 | 702 | 0.5 |
| New Wave Group 'B' | 60,483 | 281 | 0.2 |
| Nibe Industrier 'B' | 68,708 | 754 | 0.5 |
| Nordic Mines | 21,299 | 135 | 0.1 |
| Saab 'B' | 24,674 | 365 | 0.3 |
| Wihlborg Fastigheter | 108,290 | 1,035 | 0.8 |

| Investment | Holding | Market value £'000 | Total net assets % |
|------------------------------------------------|---------|-----------------------|-----------------------|
| Spain - 10.6% (7.1%) | | | |
| Abengoa | 34,022 | 632 | 0.5 |
| Bolsas y Mercados Espanoles | 29,553 | 556 | 0.4 |
| Catalana Occidente sa de Seguros | 91,790 | 1,365 | 1.0 |
| Cie Automotive | 242,307 | 1,335 | 1.0 |
| Corporacion Financiera Alba | 23,811 | 851 | 0.6 |
| Duro Felguera | 76,601 | 402 | 0.3 |
| Ebro Foods | 55,477 | 774 | 0.6 |
| Gamesa Corporacion Tecnologica | 93,152 | 537 | 0.4 |
| Indra Sistemas | 52,052 | 662 | 0.5 |
| Jazztel | 207,307 | 798 | 0.6 |
| NH Hoteles | 180,478 | 884 | 0.6 |
| Obrascon Huarte Lain | 59,725 | 1,358 | 1.0 |
| Papeles Y Cartones de Europa | 233,855 | 810 | 0.6 |
| Pescanova | 36,150 | 918 | 0.7 |
| Sol Melia | 114,709 | 864 | 0.6 |
| Tubacex | 284,692 | 773 | 0.6 |
| Viscofan | 33,206 | 804 | 0.6 |
| France - 9.6% (9.8%) | | | |
| Alten | 26,484 | 636 | 0.5 |
| Altran Technologies | 76,944 | 382 | 0.3 |
| Arkema | 10,816 | 707 | 0.5 |
| Assystem | 19,889 | 309 | 0.2 |
| Carbonne Lorraine | 8,437 | 295 | 0.2 |
| Ciments Francais 'A' | 3,323 | 201 | 0.1 |
| Delachaux | 2,215 | 159 | 0.1 |
| Derichebourg | 181,371 | 961 | 0.7 |
| Eurofins Scientifi | 3,573 | 208 | 0.2 |
| Faiveley Transport | 4,649 | 277 | 0.2 |
| Faurecia | 45,381 | 1,167 | 0.8 |
| Haulotte Group | 27,391 | 358 | 0.3 |
| Ingenico | 19,378 | 548 | 0.4 |
| Lectra | 60,312 | 326 | 0.2 |
| Manitou | 10,288 | 195 | 0.1 |
| Naturex | 3,295 | 164 | 0.1 |
| Nexans | 6,680 | 397 | 0.3 |
| Norbert Dentressangle | 4,794 | 322 | 0.2 |
| Plastic-Omnium | 27,705 | 538 | 0.4 |
| Rallye | 18,823 | 561 | 0.4 |
| Rexel | 62,791 | 965 | 0.7 |
| Societe Internationale de Plantations d'Heveas | 3,574 | 300 | 0.2 |
| Soitec | 21,085 | 188 | 0.1 |
| Sopra Group | 7,038 | 507 | 0.4 |
| Trigano | 4,889 | 103 | 0.1 |
| Valeo | 13,932 | 532 | 0.4 |
| Wendel | 27,779 | 2,013 | 1.5 |
| Switzerland - 8.6% (11.1%) | | | |
| AFG Arbonia-Forster | 5,883 | 137 | 0.1 |
| Allreal | 1,358 | 136 | 0.1 |
| Autoneum | 972 | 67 | - |
| Belimo | 192 | 264 | 0.2 |
| Bossard | 5,768 | 660 | 0.5 |
| Bucher Industries | 6,029 | 899 | 0.7 |
| Burckhardt Compression | 357 | 70 | 0.1 |
| Burkhalter | 535 | 105 | 0.1 |
| Charles Voegle | 3,461 | 155 | 0.1 |
| Clariant | 44,479 | 592 | 0.4 |
| EFG International | 35,341 | 280 | 0.2 |
| EMMI | 2,965 | 449 | 0.3 |
| Fischer (George) | 897 | 339 | 0.2 |
| Forbo | 3,095 | 1,531 | 1.1 |
| GAM | 116,727 | 1,348 | 1.0 |
| Gurit | 471 | 211 | 0.2 |
| Helvetia | 2,078 | 554 | 0.4 |
| Inficon | 1,236 | 171 | 0.1 |
| Komax | 2,022 | 150 | 0.1 |
| Meyer Burger Technologies | 2,572 | 70 | 0.1 |
| Oerlikon Corporation | 277,151 | 1,365 | 1.0 |
| Panalpina Weltransport | 6,170 | 526 | 0.4 |
| PubliGroupe | 2,106 | 225 | 0.2 |
| Schmolz & Bickenbach | 76,831 | 633 | 0.5 |
| Sulzer | 2,473 | 269 | 0.2 |
| Tamedia | 732 | 68 | - |
| Vontobel | 12,052 | 280 | 0.2 |
| Zehnder Group | 103 | 197 | 0.1 |

Portfolio statement – continued

As at 31 May 2011

| Investment | Holding | Market value £'000 | Total net assets % |
|----------------------------------|---------|-----------------------|-----------------------|
| Italy – 7.8% (7.4%) | | | |
| Aeffe | 163,525 | 189 | 0.1 |
| Autostrada Torino-Milano | 6,471 | 63 | - |
| Azimut Holding | 188,971 | 1,259 | 0.9 |
| Banca Generali | 21,665 | 198 | 0.1 |
| Biesse | 20,485 | 124 | 0.1 |
| Brembo | 28,654 | 231 | 0.2 |
| Carraro | 52,777 | 171 | 0.1 |
| Compagnie Industriali Riunite | 214,162 | 324 | 0.2 |
| De Longhi | 168,037 | 1,333 | 1.0 |
| Digital Multimedia Technologies | 7,079 | 135 | 0.1 |
| Immobiliare Grande Distribuzione | 69,180 | 102 | 0.1 |
| Impregilo | 371,868 | 722 | 0.5 |
| Interpump Group | 56,058 | 280 | 0.2 |
| Marcolin | 33,044 | 153 | 0.1 |
| Mediolanum | 481,335 | 1,533 | 1.1 |
| Piaggio | 85,151 | 195 | 0.1 |
| Poltrona Frau | 115,201 | 147 | 0.1 |
| Recordati | 124,513 | 834 | 0.6 |
| SIAS | 79,757 | 605 | 0.4 |
| Sogefi | 55,081 | 122 | 0.1 |
| Sorin | 219,900 | 388 | 0.3 |
| Tod's | 5,510 | 430 | 0.3 |
| Trevi Finanziaria Industriale | 73,211 | 669 | 0.5 |
| Yoox | 67,178 | 776 | 0.6 |
| Finland – 6.1% (7.7%) | | | |
| Citycon | 121,350 | 359 | 0.3 |
| Fiskars 'A' | 54,988 | 836 | 0.6 |
| Kemira | 88,658 | 979 | 0.7 |
| Nokian Renkaa | 22,711 | 668 | 0.5 |
| Outotec | 19,488 | 689 | 0.5 |
| PKC Group | 56,769 | 843 | 0.6 |
| Poeyry | 51,740 | 502 | 0.4 |
| Pohjola Bank 'A' | 139,635 | 1,175 | 0.9 |
| Sponda | 146,744 | 523 | 0.4 |
| Vacon | 18,278 | 704 | 0.5 |
| YIT | 55,659 | 909 | 0.7 |
| Norway – 5.4% (5.0%) | | | |
| Algeta | 15,415 | 249 | 0.2 |
| Atea | 101,777 | 647 | 0.5 |
| BWG Homes | 203,088 | 512 | 0.4 |
| Cermaq | 140,395 | 1,659 | 1.2 |
| Det Norske Oljeselskap | 49,338 | 169 | 0.1 |
| Electromagnetic Geoservices | 88,097 | 126 | 0.1 |
| Eltak | 989,618 | 607 | 0.4 |
| Golar LNG | 22,425 | 453 | 0.3 |
| Grieg Seafood | 152,530 | 295 | 0.2 |
| Rocksource | 531,268 | 190 | 0.1 |
| Storebrand 'A' | 177,463 | 979 | 0.7 |
| TGS Nopec Geophysical | 89,749 | 1,540 | 1.1 |
| Tomra Systems | 26,219 | 145 | 0.1 |
| Belgium – 4.1% (5.8%) | | | |
| Ackermans | 5,946 | 346 | 0.3 |
| Arseus | 16,625 | 175 | 0.1 |
| Barco | 14,544 | 701 | 0.5 |
| CFE | 14,614 | 678 | 0.5 |
| D'leteren | 34,933 | 1,412 | 1.0 |
| Kinopolis Group | 9,019 | 431 | 0.3 |
| Nyrstar | 209,827 | 1,722 | 1.3 |
| Nyrstar VVPR Strips | 44,947 | - | - |
| Tessenderlo Chemie | 6,472 | 172 | 0.1 |
| Denmark – 3.6% (4.9%) | | | |
| DSV | 37,202 | 567 | 0.4 |
| GN Store Nord | 97,492 | 590 | 0.4 |
| Jyske Bank | 12,383 | 355 | 0.3 |
| Royal Unibrew | 27,053 | 1,137 | 0.8 |
| Schouw & Co | 6,014 | 99 | 0.1 |
| Topdanmark | 19,114 | 2,154 | 1.6 |

| Investment | Holding | Market value £'000 | Total net assets % |
|----------------------------------|---------|-----------------------|-----------------------|
| Netherlands – 3.5% (3.5%) | | | |
| Aalberts Industries | 26,742 | 383 | 0.3 |
| AMG Advanced Metallurgical Group | 48,087 | 569 | 0.4 |
| ASM International | 2,776 | 71 | 0.1 |
| BAM Groep | 166,983 | 687 | 0.5 |
| Beter Bed | 8,300 | 144 | 0.1 |
| Brunel International | 6,488 | 180 | 0.1 |
| Heijmans | 13,199 | 245 | 0.2 |
| SBM Offshore | 28,268 | 456 | 0.3 |
| SNS Reaal Groep | 209,534 | 671 | 0.5 |
| Ten Cate | 40,564 | 1,013 | 0.7 |
| TKH Group | 11,501 | 229 | 0.2 |
| Unit 4 | 8,714 | 193 | 0.1 |
| Austria – 3.1% (3.8%) | | | |
| Andritz | 12,273 | 777 | 0.6 |
| Austriamicrosystems | 578 | 19 | - |
| CA Immobilien Anlagen | 83,342 | 965 | 0.7 |
| Immofinanz | 105,745 | - | - |
| Oesterreichische Post | 26,436 | 525 | 0.4 |
| Palfinger | 28,468 | 675 | 0.5 |
| Polytec | 18,909 | 134 | 0.1 |
| Schoeller Bleckmann Oilfield | 4,738 | 275 | 0.2 |
| Wulford | 16,152 | 361 | 0.3 |
| Zumbobel | 19,635 | 371 | 0.3 |
| Ireland – 2.8% (1.2%) | | | |
| Elan | 36,783 | 213 | 0.2 |
| F.B.D. | 85,288 | 544 | 0.4 |
| Glanbia | 304,598 | 1,263 | 0.9 |
| Paddy Power | 24,851 | 771 | 0.6 |
| Smurfit Kappa | 122,959 | 907 | 0.7 |
| Greece – 0.8% (0.3%) | | | |
| Frigoglass | 24,153 | 215 | 0.2 |
| Hellenic Exchanges | 125,385 | 561 | 0.4 |
| JUMBO | 48,565 | 224 | 0.2 |
| Portugal – 0.4% (0.0%) | | | |
| Sonaecom | 376,768 | 520 | 0.4 |
| Investment assets | | 134,341 | 97.7 |
| Net other assets | | 3,179 | 2.3 |
| Net assets | | 137,520 | 100.0 |

Unless otherwise stated the above securities are admitted to official stock exchange listings or trade on a regulated market.

The comparative percentage figures in brackets are at 30 November 2010.

Portfolio movements

For the six months ending 31 May 2011

| | £'000 | | £'000 |
|----------------------------------------------|----------------|--------------------------------------------|-----------------|
| Total of all purchases for the period | 136,482 | Total of all sales for the period | 142,975 |
| Major purchases | Cost | Major sales | Proceeds |
| TGS Nopec Geophysical | 2,135 | Bekaert | 2,631 |
| Oerlikon Corporation | 1,984 | Burckhardt Compression | 2,521 |
| Topdanmark | 1,967 | Gategroup | 2,217 |
| PA Resources | 1,795 | Swiss Life | 1,797 |
| Swiss Life | 1,784 | Prosegur Compania Seguridad | 1,659 |
| Betsson 'B' | 1,781 | ProSiebenSat.1 Media Preference | 1,640 |
| SNS Reaal Groep | 1,722 | FLSmith & Co | 1,627 |
| Loomis 'B' | 1,592 | PA Resources | 1,563 |
| Mediolanum | 1,553 | Barry Callebaut | 1,535 |
| Cermaq | 1,543 | Jyske Bank | 1,531 |
| Storebrand 'A' | 1,437 | Intrum Justitia | 1,459 |
| AarhusKarlsHamn | 1,415 | Loomis 'B' | 1,431 |
| Bilfinger Berger | 1,410 | Recordati | 1,367 |
| Azimut Holding | 1,406 | Axel Springer | 1,350 |
| Grupo Catalana Occidente | 1,316 | Royal Unibrew | 1,299 |
| BCA Pop Milano | 1,086 | Clariant | 1,285 |
| Semapa Sociedade de Investimento e Gestao | 1,083 | Conwert Immobilien Invest | 1,245 |
| Ebro Foods | 1,070 | Construcciones y Auxiliar de Ferrocarriles | 1,211 |
| Leroy Seafood Group | 1,068 | Leroy Seafood Group | 1,170 |
| Fomento de Construciones y Contratas | 1,059 | Davide Campari-Milano | 1,153 |

Financial statements

Statement of total return

(Unaudited)

For the six months ending 31 May

| | £'000 | 2011 £'000 | £'000 | 2010 £'000 |
|-------------------------------------------------------------------------------------|---------|---------------|---------|---------------|
| Income | | | | |
| Net capital gains | | 19,222 | | 2,495 |
| Revenue | 2,244 | | 1,906 | |
| Expenses | (1,109) | | (1,056) | |
| Net revenue before taxation | 1,135 | | 850 | |
| Taxation | (148) | | 10 | |
| Net revenue after taxation | | 987 | | 860 |
| Total return before distributions | | 20,209 | | 3,355 |
| Finance costs: Distributions | | 7 | | 1 |
| Change in net assets attributable to shareholders from investment activities | | 20,216 | | 3,356 |

Balance sheet

(Unaudited)

As at

| | 31 May 2011 | | 30 November 2010 | |
|------------------------------------------------|-------------|----------------|------------------|----------------|
| | £'000 | £'000 | £'000 | £'000 |
| ASSETS | | | | |
| Investment assets | | 134,341 | | 121,320 |
| Debtors | 2,452 | | 2,968 | |
| Cash and bank balances | 3,738 | | 1,659 | |
| Total other assets | | 6,190 | | 4,627 |
| Total assets | | 140,531 | | 125,947 |
| LIABILITIES | | | | |
| Creditors | (3,011) | | (1,876) | |
| Distribution payable on income shares | - | | (2) | |
| Total liabilities | | (3,011) | | (1,878) |
| Net assets attributable to shareholders | | 137,520 | | 124,069 |

Statement of change in net assets attributable to shareholders

(Unaudited)

For the six months ending 31 May

| | £'000 | 2011 £'000 | £'000 | 2010 £'000 |
|-------------------------------------------------------------------------------------------------|---------|----------------|----------|----------------|
| Opening net assets attributable to shareholders | | 124,069 | | 125,063 |
| Amounts receivable on issue of shares | 1,225 | | 362 | |
| Amounts payable on cancellation of shares | (7,990) | | (11,003) | |
| | | (6,765) | | (10,641) |
| Change in net assets attributable to shareholders from investment activities (see above) | | 20,216 | | 3,356 |
| Closing net assets attributable to shareholders | | 137,520 | | 117,778 |

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

JPM UK Smaller Companies Fund

Investment objective and policy

To provide long-term capital growth by investing primarily in UK smaller companies.

Risk profiles

Equity investment is subject to specific risks relating to the performance of the individual companies held and the market's perception of their performance. Equities are also subject to systematic risks such as general economic conditions, inflation, interest rates, foreign exchange rates and industry sector risks. In general terms, equities tend to be more volatile than bonds.

Smaller companies' securities may be less liquid than the securities of larger companies as a result of inadequate trading volume or restrictions on trading. Smaller companies may possess greater potential for growth, but can also involve greater risks, such as limited product lines and markets, and financial or managerial resources. Trading in such securities may be subject to more abrupt price movements and greater fluctuations in available liquidity than trading in the securities of larger companies.

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

Fund review

- The sub-fund uses a bottom-up investment process to uncover the best growth and value stocks within the UK small-cap sector. Sector positions flow from our bottom-up stock selection.
- Over the period, the sub-fund delivered a very strong positive return and outperformed its benchmark.
- Positive contributors to relative returns included stock selection and underweight positions in the media and financial services sectors, and stock selection and an overweight position in chemicals.
- Stock selection in oil & gas producers and support services was detrimental, while an underweight position in construction & materials also detracted.
- At the stock level, positive contributors to relative returns included an overweight position in Entertainment One, which reported a year-on-year increase in pre-tax profit for its financial year ending March 2011. The media company benefited from continued growth in sales of Peppa Pig merchandise.
- An overweight position in Yule Catto & Co also contributed positively after the chemicals producer bought PolymerLatex Deutschland. The acquisition gives Yule the opportunity to expand its product offering in the growing synthetic latex gloves market.
- Stock-level detractors included an overweight position in oil & gas exploration company Cove Energy, whose share price fell after a period of strong performance, driven by poor sentiment in broader equity markets, despite the company receiving broker upgrades after reporting further gas discoveries in Africa.
- An underweight position in Galliford Try was also detrimental as the construction company said its full-year results would significantly beat market views on better-than-expected spring sales and improved mortgage availability.

- However, relative returns were boosted by an overweight position in RPC Group, a maker of plastic containers, which rose steadily after reporting higher-than-expected profits for its financial year ending March 2011 following improved sales volumes and successful efforts to lower costs.

Fund outlook

- The UK stock market may remain volatile in the short term, but small-cap stocks remain supported by low interest rates, strong overseas demand and a continued pick-up in the domestic recovery.

12 month performance to 31 May

| | 2011 | 2010 | 2009 | 2008 | 2007 |
|--------------------------------------------------|--------------|--------------|---------------|---------------|--------------|
| JPM UK Smaller Companies Fund A-Class Acc | 40.4% | 27.9% | -32.4% | -23.7% | 34.0% |
| JPM UK Smaller Companies Fund I-Class Acc | 41.9% | 29.3% | -31.7% | -22.9% | 35.4% |
| JPM UK Smaller Companies Fund X-Class Inc | 42.7% | 30.0% | -31.3% | -22.5% | 36.1% |
| Benchmark Index | 23.1% | 20.9% | -27.1% | -30.6% | 24.7% |

Six month performance to 31 May 2011

| | |
|--------------------------------------------------|--------------|
| JPM UK Smaller Companies Fund A-Class Acc | 17.0% |
| Benchmark Index ^A | 12.2% |

Fund statistics

| | |
|-----------------|-------------------------------------------------|
| Fund size | £127.1m |
| Benchmark Index | FTSE Small Cap ex ITs (Total Return Net) |
| Fund charges | |
| A-Class | Initial 4.25%, Annual 1.50% |
| I-Class | Initial Nil, Annual 0.60% |
| X-Class | On application^A |

Top ten holdings

| | % |
|--------------------|----------|
| Brammer | 2.7 |
| Diploma | 2.5 |
| Oxford Instruments | 2.4 |
| Cape | 2.3 |
| TT electronics | 2.2 |
| RPC Group | 2.1 |
| Yule Catto & Co | 2.0 |
| Fenner | 2.0 |
| Elementis | 2.0 |
| Hyder Consulting | 2.0 |

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

Source: FTSE International Limited ("FTSE") © FTSE [2010]. "FTSE®" is a trade mark of London Stock Exchange Plc and The Financial Times Limited and is used by FTSE International Limited under licence.

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All performance returns are calculated using the quoted price of the accumulation or income shares. Performance returns are in Sterling.

Source: J.P. Morgan

^A As agreed from time to time between the ACD and relevant JPMorgan Chase & Co. entity.

Sector breakdown

| | % |
|-----------------------|-------|
| Industrials | 42.4 |
| Financials | 14.8 |
| Consumer services | 10.6 |
| Oil & gas | 8.5 |
| Technology | 8.5 |
| Basic materials | 7.2 |
| Consumer goods | 3.7 |
| Telecommunications | 2.4 |
| Health care | 1.7 |
| Utilities | 0.5 |
| Net other liabilities | (0.3) |

Portfolio turnover rate

| | |
|----------|--------|
| 30.11.10 | 102.3% |
| 31.05.11 | 33.8% |

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

Highest/lowest share price and distribution record

| Calendar year | Highest share price | Lowest share price | Distribution per share (net) |
|------------------------------------------|---------------------|--------------------|------------------------------|
| A-Class Accumulation Shares | | | |
| 2006 | 234.5p | 175.0p | 0.30p |
| 2007 | 262.3p | 200.1p | 0.31p |
| 2008 | 209.8p | 109.2p | 1.97p |
| 2009 | 185.8p | 102.4p | 1.68p |
| 2010 | 224.8p | 164.7p | 1.43p |
| 2011 ^a | 240.5p | 220.3p | - |
| A-Class Income Shares^c | | | |
| 2007 | 50.97p | 40.72p | 0.07p |
| 2008 | 42.68p | 21.80p | 0.40p |
| 2009 | 37.15p | 20.47p | 0.33p |
| 2010 | 44.20p | 32.60p | 0.28p |
| 2011 ^a | 47.27p | 43.31p | - |
| I-Class Accumulation Shares | | | |
| 2006 | 427.2p | 315.6p | 4.11p |
| 2007 | 479.9p | 368.3p | 5.13p |
| 2008 | 386.2p | 203.0p | 7.17p |
| 2009 | 348.8p | 190.9p | 5.90p |
| 2010 | 427.5p | 311.1p | 6.34p |
| 2011 ^a | 459.0p | 419.9p | - |
| X-Class Income Shares | | | |
| 2006 | 408.5p | 304.8p | 5.83p |
| 2007 | 460.0p | 347.2p | 7.27p |
| 2008 | 364.2p | 184.0p | 8.49p |
| 2009 | 317.9p | 173.5p | 6.60p |
| 2010 | 375.2p | 277.9p | 7.30p |
| 2011 ^a | 403.5p | 368.9p | - |

^a To 31 May 2011.

^c A-Class Income Shares were launched on 1 September 2007.

Net asset values and Total expense ratios

| Date | Net asset value per share class £'000 | Number of shares | Net asset value per share | Total expense ratio |
|------------------------------------|---------------------------------------|------------------|---------------------------|---------------------|
| A-Class Accumulation Shares | | | | |
| 30.11.08 | 64,976 | 58,001,696 | 112.0p | 1.68% |
| 30.11.09 | 80,411 | 48,531,861 | 165.7p | 1.67% |
| 30.11.10 | 88,646 | 43,508,200 | 203.7p | 1.67% |
| 31.05.11 | 91,303 | 38,271,922 | 238.6p | 1.68% |
| A-Class Income Shares | | | | |
| 30.11.08 ^d | 223 | 996,090 | 22.40p | 1.68% |
| 30.11.09 ^d | 408 | 1,245,167 | 32.79p | 1.68% |
| 30.11.10 ^d | 568 | 1,419,012 | 40.05p | 1.68% |
| 31.05.11 | 799 | 1,703,033 | 46.90p | 1.68% |
| I-Class Accumulation Shares | | | | |
| 30.11.08 | 6,456 | 3,100,370 | 208.3p | 0.60% |
| 30.11.09 | 8,140 | 2,614,372 | 311.4p | 0.60% |
| 30.11.10 | 9,915 | 2,561,664 | 387.0p | 0.60% |
| 31.05.11 | 22,461 | 4,929,479 | 455.6p | 0.60% |
| X-Class Income Shares | | | | |
| 30.11.08 ^d | 8,720 | 4,616,133 | 188.9p | 0.06% |
| 30.11.09 ^d | 11,733 | 4,228,968 | 277.4p | 0.06% |
| 30.11.10 ^d | 10,709 | 3,155,139 | 339.4p | 0.06% |
| 31.05.11 | 12,506 | 3,120,571 | 400.8p | 0.06% |

^d The Net asset value and the Net asset value per income share are shown ex-dividend at the financial year end.

The total expense ratio (TER) takes into account the ACD fee and any fixed expenses charged to revenue expressed as a percentage of the average daily net asset values over the same period.

Portfolio statement

As at 31 May 2011

| Investment | Holding | Market value £'000 | Total net assets % |
|-------------------------------------------------------|-----------|-----------------------|-----------------------|
| Industrials - 42.4% (38.3%) | | | |
| Aerospace & defence - 1.4% | | | |
| Aero Inventory† | 120,468 | - | - |
| Hampson Industries | 1,372,553 | 329 | 0.3 |
| UMECO | 330,600 | 1,455 | 1.1 |
| Construction & materials - 1.1% | | | |
| Costain | 419,533 | 972 | 0.8 |
| Galliford Try | 78,569 | 361 | 0.3 |
| Electronics & electrical equipment - 10.3% | | | |
| Dialight | 257,565 | 1,945 | 1.5 |
| E2V Technologies | 1,299,604 | 1,637 | 1.3 |
| Oxford Instruments | 413,013 | 3,100 | 2.4 |
| Renishaw | 105,827 | 1,801 | 1.4 |
| TT electronics | 1,375,800 | 2,803 | 2.2 |
| Volex Group | 584,901 | 1,935 | 1.5 |
| General industrials - 2.3% | | | |
| RPC Group | 728,906 | 2,602 | 2.1 |
| Smith (DS) | 121,099 | 255 | 0.2 |
| Industrial engineering - 6.6% | | | |
| Fenner | 650,071 | 2,525 | 2.0 |
| Hill & Smith | 348,147 | 1,308 | 1.0 |
| Renold | 2,103,300 | 757 | 0.6 |
| Senior | 1,539,314 | 2,418 | 1.9 |
| Severfield-Rowen | 604,405 | 1,454 | 1.1 |
| Industrial transportation - 1.7% | | | |
| Braemar Shipping Services | 119,973 | 546 | 0.4 |
| Clarkson | 103,789 | 1,239 | 1.0 |
| Goldenport | 393,847 | 422 | 0.3 |
| Support services - 19.0% | | | |
| ACAL | 143,368 | 446 | 0.4 |
| Ashtead Group | 461,400 | 836 | 0.7 |
| Brammer | 1,115,800 | 3,484 | 2.7 |
| Cape* | 544,191 | 2,865 | 2.3 |
| CPP | 115,023 | 145 | 0.1 |
| Diploma | 871,524 | 3,225 | 2.5 |
| Fiberweb | 1,565,861 | 1,022 | 0.8 |
| Hargreaves Services* | 123,013 | 1,255 | 1.0 |
| Harvey Nash Group | 877,044 | 763 | 0.6 |
| Healthcare Locums† | 738,032 | 413 | 0.3 |
| Hogg Robinson Group | 1,776,908 | 1,022 | 0.8 |
| Howden Joinery Group | 721,098 | 818 | 0.6 |
| Hyder Consulting | 693,622 | 2,511 | 2.0 |
| John Menzies | 394,300 | 2,070 | 1.6 |
| Robert Walters | 555,592 | 1,656 | 1.3 |
| Shaft Sinkers | 334,460 | 585 | 0.5 |
| Staffline Group | 202,300 | 481 | 0.4 |
| Tribal Group | 907,769 | 372 | 0.3 |
| WSP Group | 37,298 | 123 | 0.1 |
| Financials - 14.8% (9.8%) | | | |
| Equity investment instruments - 0.1% | | | |
| Brookwell 'D' Participating Redemption Preference | 164,494 | 107 | 0.1 |
| General financial - 5.0% | | | |
| City of London Investment Group | 203,683 | 876 | 0.7 |
| GlobeOp Financial Services | 413,267 | 1,660 | 1.3 |
| International Personal Finance | 651,921 | 2,374 | 1.9 |
| Lonrho | 8,438,547 | 1,435 | 1.1 |
| Life insurance - 1.4% | | | |
| Chesnara | 726,600 | 1,744 | 1.4 |
| Nonlife insurance - 1.3% | | | |
| Novae Group | 432,900 | 1,610 | 1.3 |
| Real estate - 7.0% | | | |
| CLS | 247,160 | 1,582 | 1.2 |
| Development Securities | 806,000 | 1,830 | 1.4 |
| LSL Property Services | 521,878 | 1,416 | 1.1 |
| Minerva | 1,351,431 | 1,547 | 1.2 |
| Quintain Estates & Development | 3,653,943 | 1,973 | 1.6 |
| Unite Group | 283,032 | 612 | 0.5 |

| Investment | Holding | Market value £'000 | Total net assets % |
|----------------------------------------------------------|-----------|-----------------------|-----------------------|
| Consumer services - 10.6% (12.9%) | | | |
| General retailers - 2.8% | | | |
| GAME Group | 1,603,710 | 754 | 0.6 |
| H&T Group | 83,179 | 266 | 0.2 |
| JD Sports Fashion | 79,614 | 727 | 0.6 |
| Lookers | 1,977,328 | 1,305 | 1.0 |
| Mulberry Group | 36,554 | 532 | 0.4 |
| Media - 5.2% | | | |
| Chime Communications | 660,907 | 1,804 | 1.4 |
| Creston | 382,355 | 440 | 0.4 |
| Entertainment One | 863,500 | 1,507 | 1.2 |
| ITE Group | 638,079 | 1,588 | 1.3 |
| Tarsus Group | 67,298 | 95 | 0.1 |
| Tarsus Group (Placing) | 409,570 | 577 | 0.5 |
| Trinity Mirror | 893,600 | 413 | 0.3 |
| Travel & leisure - 2.6% | | | |
| Cineworld Group | 906,924 | 1,873 | 1.5 |
| Fuller Smith & Turner 'A' | 229,271 | 1,456 | 1.1 |
| Oil & gas - 8.5% (10.2%) | | | |
| Oil & gas producers - 7.2% | | | |
| Aurelian Oil & Gas | 615,060 | 321 | 0.3 |
| Bahamas Petroleum | 2,394,876 | 419 | 0.3 |
| Bowleven | 436,100 | 1,301 | 1.0 |
| Cove Energy | 2,263,438 | 1,958 | 1.5 |
| Exillon Energy | 371,000 | 1,625 | 1.3 |
| Nautical Petroleum | 755,035 | 2,460 | 1.9 |
| Oilex | 1,697,347 | 390 | 0.3 |
| Petro Matad | 242,500 | 405 | 0.3 |
| Salamander Energy | 134,937 | 385 | 0.3 |
| Oil equipment, services & distribution - 1.3% | | | |
| Kentz Group | 387,300 | 1,607 | 1.3 |
| Technology - 8.5% (10.0%) | | | |
| Software & computer services - 6.3% | | | |
| Advanced Computer Software | 902,412 | 289 | 0.2 |
| Alterian | 640,800 | 694 | 0.5 |
| Anite | 2,445,937 | 1,786 | 1.4 |
| Aveva Group | 48,000 | 796 | 0.6 |
| Computacenter | 182,395 | 826 | 0.7 |
| Kofax | 500,086 | 2,317 | 1.8 |
| NCC Group | 253,324 | 1,368 | 1.1 |
| Technology hardware & equipment - 2.2% | | | |
| Telit Communications | 608,647 | 578 | 0.5 |
| Wolfson Microelectronics | 880,414 | 2,135 | 1.7 |
| Basic materials - 7.2% (7.6%) | | | |
| Chemicals - 5.0% | | | |
| Carclo | 439,296 | 1,231 | 1.0 |
| Elementis | 1,580,878 | 2,514 | 2.0 |
| Yule Catto & Co | 1,148,256 | 2,561 | 2.0 |
| Industrial metals - 0.6% | | | |
| International Ferro Metals | 3,809,201 | 762 | 0.6 |
| Mining - 1.6% | | | |
| Anglo Pacific Group | 259,142 | 781 | 0.6 |
| Avocet Mining | 414,800 | 825 | 0.7 |
| Gemfields Resources | 2,298,700 | 425 | 0.3 |
| Consumer goods - 3.7% (4.7%) | | | |
| Food producers - 3.2% | | | |
| Anglo-Eastern Plantations | 55,723 | 425 | 0.3 |
| Asian Plantations | 242,877 | 639 | 0.5 |
| Cranswick | 48,752 | 378 | 0.3 |
| Devro | 380,223 | 1,098 | 0.9 |
| Hilton Food Group | 435,428 | 1,177 | 0.9 |
| MP Evans Group* | 89,229 | 370 | 0.3 |
| Personal goods - 0.5% | | | |
| Supergroup | 60,224 | 678 | 0.5 |

Portfolio statement – continued

As at 31 May 2011

| Investment | Holding | Market value £'000 | Total net assets % |
|----------------------------------------------------|-----------|-----------------------|-----------------------|
| Telecommunications – 2.4% (2.2%) | | | |
| Fixed line telecommunications – 2.4% | | | |
| Alternative Networks | 257,492 | 659 | 0.5 |
| KCOM Group | 3,308,413 | 2,415 | 1.9 |
| Health care – 1.7% (3.3%) | | | |
| Health care equipment & services – 0.4% | | | |
| Caretech* | 44,175 | 56 | - |
| Immunodiagnostic Systems | 50,092 | 477 | 0.4 |
| Pharmaceuticals & biotechnology – 1.3% | | | |
| Abcam | 390,444 | 1,666 | 1.3 |
| Utilities – 0.5% (0.4%) | | | |
| Electricity – 0.5% | | | |
| OPG Power Venture | 698,169 | 572 | 0.5 |
| Investment assets | | 127,428 | 100.3 |
| Net other liabilities | | (359) | (0.3) |
| Net assets | | 127,069 | 100.0 |

Unless otherwise stated the above securities are admitted to official stock exchange listings or trade on a regulated market.

The comparative percentage figures in brackets are at 30 November 2010.

* Listed on Alternative Investment Market (AIM)

† Suspended security

‡ In Liquidation

Portfolio movements

For the six months ending 31 May 2011

| | £'000 | | £'000 |
|----------------------------------------------|---------------|------------------------------------------|-----------------|
| Total of all purchases for the period | 24,350 | Total of all sales for the period | 24,635 |
| Major purchases | Cost | Major sales | Proceeds |
| Development Securities | 1,840 | ProStrakan Group | 2,068 |
| E2V Technologies | 1,689 | Yule Catto & Co | 2,051 |
| Novae Group | 1,648 | Anglo Pacific Group | 1,567 |
| Severfield-Rowen | 1,645 | WSP Group | 1,333 |
| Yule Catto & Co | 1,626 | RPC Group | 1,207 |
| Lonrho | 1,461 | Kofax | 941 |
| Hogg Robinson Group | 953 | Smith (DS) | 892 |
| RPC Group | 840 | Hilton Food Group | 694 |
| International Ferro Metals | 711 | Aveva Group | 673 |
| Tarsus Group | 676 | Restaurant Group | 658 |
| Nautical Petroleum | 594 | CSR | 597 |
| Asian Plantations | 534 | Domino's Pizza | 571 |
| Bahamas Petroleum | 504 | Cape | 545 |
| Telit Communications | 489 | Fenner | 526 |
| Renold | 449 | Devro | 526 |
| ACAL | 433 | Cove Energy | 487 |
| Shaft Sinkers | 431 | Computacenter | 477 |
| Anglo-Eastern Plantations | 401 | Go-Ahead Group | 432 |
| Gemfields Resources | 393 | Elementis | 427 |
| Avocet Mining | 389 | Dunelm Group | 401 |

Financial statements

Statement of total return

(Unaudited)

For the six months ending 31 May

| | £'000 | 2011 £'000 | £'000 | 2010 £'000 |
|-------------------------------------------------------------------------------------|-------|---------------|-------|---------------|
| Income | | | | |
| Net capital gains | | 18,523 | | 1,965 |
| Revenue | 1,141 | | 1,273 | |
| Expenses | (817) | | (705) | |
| Net revenue before taxation | 324 | | 568 | |
| Taxation | (2) | | - | |
| Net revenue after taxation | | 322 | | 568 |
| Total return before distributions | | 18,845 | | 2,533 |
| Finance costs: Distributions | | 49 | | (12) |
| Change in net assets attributable to shareholders from investment activities | | 18,894 | | 2,521 |

Balance sheet

(Unaudited)

As at

| | 31 May 2011 £'000 | | 30 November 2010 £'000 | |
|------------------------------------------------|----------------------|----------------|---------------------------|----------------|
| ASSETS | | | | |
| Investment assets | | 127,428 | | 109,190 |
| Debtors | 8,589 | | 944 | |
| Cash and bank balances | 439 | | 205 | |
| Total other assets | | 9,028 | | 1,149 |
| Total assets | | 136,456 | | 110,339 |
| LIABILITIES | | | | |
| Creditors | (9,387) | | (267) | |
| Distribution payable on income shares | - | | (234) | |
| Total liabilities | | (9,387) | | (501) |
| Net assets attributable to shareholders | | 127,069 | | 109,838 |

Statement of change in net assets attributable to shareholders

(Unaudited)

For the six months ending 31 May

| | £'000 | 2011 £'000 | £'000 | 2010 £'000 |
|-------------------------------------------------------------------------------------------------|----------|----------------|---------|----------------|
| Opening net assets attributable to shareholders | | 109,838 | | 100,692 |
| Amounts receivable on issue of shares | 11,806 | | 742 | |
| Amounts payable on cancellation of shares | (13,455) | | (6,845) | |
| | | (1,649) | | (6,103) |
| Change in net assets attributable to shareholders from investment activities (see above) | | 18,894 | | 2,521 |
| Stamp duty reserve tax | | (14) | | (10) |
| Closing net assets attributable to shareholders | | 127,069 | | 97,100 |

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

JPM US Smaller Companies Fund

Investment objective and policy

To provide long-term capital growth by investing primarily in US smaller companies.

Risk profiles

Equity investment is subject to specific risks relating to the performance of the individual companies held and the market's perception of their performance. Equities are also subject to systematic risks such as general economic conditions, inflation, interest rates, foreign exchange rates and industry sector risks. In general terms, equities tend to be more volatile than bonds.

Smaller companies' securities may be less liquid than the securities of larger companies as a result of inadequate trading volume or restrictions on trading. Smaller companies may possess greater potential for growth, but can also involve greater risks, such as limited product lines and markets, and financial or managerial resources. Trading in such securities may be subject to more abrupt price movements and greater fluctuations in available liquidity than trading in the securities of larger companies.

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

The underlying assets of the sub-fund are denominated in currencies other than sterling and are not hedged back to sterling. Investors will therefore be exposed to the currency risk of fluctuations between sterling and the currency denomination of the underlying assets.

Fund review

- The US equity market rallied for the six-month period ending 31 May 2011, but it was not all smooth sailing. The year started well with yet another quarter of solid results from US companies. However, once again, investors were faced with rising uncertainty as various conflicts in the Middle East pushed oil prices higher and Japan experienced a devastating earthquake and subsequent tsunami. Some positive US macro news later in the period helped to restore investor confidence.
- The sub-fund participated in the market's advance, but underperformed its benchmark over the six months. Weak stock selection in the consumer discretionary and energy sectors hindered relative performance the most.
- At the stock level, among the top contributors to performance was Varian Semiconductor Equipment Associates, which received a definitive acquisition offer of USD 4.9 billion in cash from Applied Materials.
- In contrast, the portfolio's performance was negatively impacted by its exposure to OfficeMax. The office products retailer fell after declining sales to large business customers and lower store traffic led to a much bigger-than-expected decline in its fiscal first-quarter profit.

Fund outlook

- A constructive view is maintained on the market and economy. More importantly, growth stocks look particularly attractive despite their recent outperformance.
- Changes within the portfolio were modest and while we maintain an overweight position in technology, we trimmed and sold some positions in the sector that had gotten ahead of themselves. We continue to be positive on opportunities in the technology sector, favouring mobile internet, cloud and virtualisation.
- The largest overweight position is now the producer durables sector. We have been positioning the Fund in stocks that are later cycle and would benefit from a pickup in capital expenditure and commercial construction.

12 month performance to 31 May

| | 2011 | 2010 | 2009 | 2008 | 2007 |
|--------------------------------------------------|--------------|--------------|---------------|--------------|--------------|
| JPM US Smaller Companies Fund A-Class Acc | 20.2% | 54.8% | -19.3% | -8.8% | 11.2% |
| JPM US Smaller Companies Fund I-Class Acc | 21.0% | 56.0% | -18.8% | -8.2% | 12.0% |
| Benchmark Index | 20.5% | 44.5% | -16.3% | -5.8% | 11.0% |

Six month performance to 31 May 2011

| | |
|--------------------------------------------------|--------------|
| JPM US Smaller Companies Fund A-Class Acc | 10.8% |
| Benchmark Index | 12.9% |

Fund statistics

| | |
|-----------------|-----------------------------------------------|
| Fund size | £36.0m |
| Benchmark Index | Russell 2000 Growth (Total Return Net) |
| Fund charges | |
| A-Class | Initial 4.25%, Annual 1.50% |
| I-Class | Initial Nil, Annual 1.00% |

Top ten holdings

| | % |
|---------------------------|-----|
| Heico | 1.8 |
| Old Dominion Freight Line | 1.5 |
| Graco | 1.5 |
| HealthSpring | 1.4 |
| Insulet | 1.4 |
| Omnicell | 1.3 |
| Taleo 'A' | 1.3 |
| SolarWinds | 1.3 |
| Energys | 1.3 |
| Oxford Industries | 1.3 |

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

All performance returns are calculated using the quoted price of the accumulation shares. Performance returns are in Sterling.

FX Adjusted returns have been calculated by JPMAM.

Source: J.P. Morgan.

Sector breakdown

| | % |
|-------------------|------|
| Technology | 23.9 |
| Industrials | 20.7 |
| Health care | 18.6 |
| Consumer services | 13.2 |
| Financials | 7.7 |
| Consumer goods | 7.7 |
| Oil & gas | 5.3 |
| Basic materials | 1.5 |
| Net other assets | 1.4 |

Highest/lowest share price and distribution record

| Calendar year | Highest share price | Lowest share price | Distribution per share (net) |
|------------------------------------------|---------------------|--------------------|------------------------------|
| A-Class Accumulation Shares | | | |
| 2006 | 204.4p | 157.8p | 0.00p |
| 2007 | 206.4p | 172.3p | 0.00p |
| 2008 | 194.2p | 115.1p | 0.00p |
| 2009 | 190.8p | 117.3p | 0.00p |
| 2010 | 259.2p | 176.8p | 0.00p |
| 2011 ^a | 272.2p | 244.1p | - |
| A-Class Income Shares^b | | | |
| 2007 | 54.07p | 46.72p | 0.00p |
| 2008 | 50.88p | 30.14p | 0.00p |
| 2009 | 49.99p | 30.73p | 0.00p |
| 2010 | 67.90p | 46.33p | 0.00p |
| 2011 ^a | 71.30p | 63.95p | - |
| I-Class Accumulation Shares | | | |
| 2006 | 198.4p | 153.7p | 0.00p |
| 2007 | 202.7p | 168.5p | 0.00p |
| 2008 | 191.0p | 113.9p | 0.00p |
| 2009 | 190.2p | 116.3p | 0.00p |
| 2010 | 260.0p | 176.4p | 0.00p |
| 2011 ^a | 273.7p | 245.1p | - |

^a To 31 May 2011.

^b A-Class Income Shares were launched on 1 September 2007.

Portfolio turnover rate

| | |
|----------|-------|
| 30.11.10 | 95.8% |
| 31.05.11 | 55.4% |

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

Net asset values and Total expense ratios

| Date | Net asset value per share class £'000 | Number of shares | Net asset value per share | Total expense ratio |
|------------------------------------|---------------------------------------|------------------|---------------------------|---------------------|
| A-Class Accumulation Shares | | | | |
| 30.11.08 | 8,848 | 6,849,267 | 129.2p | 1.63% |
| 30.11.09 | 11,049 | 6,575,073 | 168.0p | 1.68% |
| 30.11.10 | 16,642 | 6,998,675 | 237.8p | 1.68% |
| 31.05.11 | 32,553 | 12,365,737 | 263.2p | 1.68% |
| A-Class Income Shares | | | | |
| 30.11.08 ^c | 13 | 39,881 | 33.84p | 1.65% |
| 30.11.09 ^c | 23 | 52,427 | 44.02p | 1.68% |
| 30.11.10 ^c | 249 | 400,572 | 62.27p | 1.68% |
| 31.05.11 | 764 | 1,108,045 | 68.96p | 1.68% |
| I-Class Accumulation Shares | | | | |
| 30.11.08 | 4,111 | 3,217,376 | 127.8p | 1.00% |
| 30.11.09 | 4,565 | 2,727,142 | 167.4p | 1.00% |
| 30.11.10 | 1,065 | 446,504 | 238.5p | 1.00% |
| 31.05.11 | 2,647 | 999,569 | 264.8p | 1.00% |

^c The Net asset value and the Net asset value per income share are shown ex-dividend at the financial year end.

The total expense ratio (TER) takes into account the ACD fee and any fixed expenses charged to revenue expressed as a percentage of the average daily net asset values over the same period.

Portfolio statement

As at 31 May 2011

| Investment | Holding | Market value £'000 | Total net assets % |
|------------------------------------------------------|---------|-----------------------|-----------------------|
| Technology - 23.9% (26.4%) | | | |
| Software & computer services - 16.5% | | | |
| Boingo Wireless | 40,300 | 233 | 0.6 |
| Broadsoft | 8,239 | 196 | 0.5 |
| Cavium Networks | 12,190 | 324 | 0.9 |
| Concur Technologies | 8,800 | 264 | 0.7 |
| Cornerstone OnDemand | 15,220 | 179 | 0.5 |
| DealerTrack | 25,970 | 356 | 1.0 |
| Dynavox | 54,900 | 242 | 0.7 |
| Envestnet | 30,930 | 281 | 0.8 |
| Fortinet | 11,240 | 326 | 0.9 |
| IntraLinks | 18,976 | 236 | 0.7 |
| Logmein | 12,460 | 323 | 0.9 |
| MSCI | 7,890 | 177 | 0.5 |
| NetSuite | 18,860 | 428 | 1.2 |
| Nuance Communications | 29,000 | 380 | 1.1 |
| Rackspace Hosting | 13,030 | 345 | 1.0 |
| Realpage | 20,110 | 348 | 1.0 |
| SolarWinds | 33,310 | 482 | 1.3 |
| Sourcefire | 22,190 | 337 | 0.9 |
| TIBCO Software | 27,360 | 469 | 1.3 |
| Technology hardware & equipment - 7.4% | | | |
| Aruba Networks | 11,660 | 199 | 0.6 |
| Cymer | 9,990 | 279 | 0.8 |
| DigitalGlobe | 21,030 | 312 | 0.9 |
| Finisar | 5,630 | 81 | 0.2 |
| Hittite Microwave | 9,200 | 350 | 1.0 |
| Inphi | 24,020 | 288 | 0.8 |
| Ixia | 16,790 | 158 | 0.4 |
| Mellanox Technologies | 16,060 | 297 | 0.8 |
| Riverbed Technology | 18,020 | 414 | 1.2 |
| Triquint Semiconductor | 35,730 | 271 | 0.7 |
| Industrials - 20.7% (19.2%) | | | |
| Aerospace & defence - 1.8% | | | |
| Heico | 19,433 | 634 | 1.8 |
| Construction & materials - 4.8% | | | |
| Acuity Brands | 12,780 | 463 | 1.3 |
| Generac Holdings | 30,380 | 333 | 0.9 |
| Lennox International | 11,540 | 325 | 0.9 |
| Simpson Manufacturing | 17,080 | 286 | 0.8 |
| Trex Company | 19,240 | 340 | 0.9 |
| Electronics & electrical equipment - 1.3% | | | |
| Enersys | 22,210 | 473 | 1.3 |
| General industrials - 1.3% | | | |
| Carlisle Companies | 15,760 | 462 | 1.3 |
| Industrial engineering - 3.8% | | | |
| General Cable | 15,920 | 400 | 1.1 |
| Graco | 18,060 | 542 | 1.5 |
| Westinghouse Air Brake Technologies | 11,070 | 446 | 1.2 |
| Industrial transportation - 2.1% | | | |
| Marten Transport | 17,370 | 230 | 0.6 |
| Old Dominion Freight Line | 24,495 | 547 | 1.5 |
| Support services - 5.6% | | | |
| Blackboard | 16,230 | 418 | 1.2 |
| Corporate Executive Board | 11,530 | 290 | 0.8 |
| Geo Group | 15,800 | 237 | 0.7 |
| Mistras | 17,800 | 181 | 0.5 |
| National Cinemedia | 35,240 | 386 | 1.1 |
| Taleo 'A' | 21,620 | 482 | 1.3 |

| Investment | Holding | Market value £'000 | Total net assets % |
|-----------------------------------------------------|---------|-----------------------|-----------------------|
| Health care - 18.6% (18.3%) | | | |
| Health care equipment & services - 10.5% | | | |
| Bruker | 37,120 | 431 | 1.2 |
| Electro Optical Sciences | 22,600 | 40 | 0.1 |
| Emeritus | 33,710 | 464 | 1.3 |
| Fluidigm | 17,460 | 154 | 0.4 |
| Health Net | 23,860 | 459 | 1.3 |
| Imris | 68,190 | 305 | 0.8 |
| Insulet | 38,740 | 501 | 1.4 |
| Masimo | 14,360 | 264 | 0.7 |
| Omnicell | 52,990 | 484 | 1.3 |
| Thoratec | 16,260 | 343 | 1.0 |
| Tornier | 21,600 | 359 | 1.0 |
| Pharmaceuticals & biotechnology - 8.1% | | | |
| Acorda Therapeutics | 9,940 | 199 | 0.6 |
| Aegerion Pharmaceuticals | 17,190 | 192 | 0.5 |
| Ariad Pharmaceuticals | 42,300 | 226 | 0.6 |
| Aveo Pharmaceuticals | 15,490 | 172 | 0.5 |
| Cubist Pharmaceuticals | 15,350 | 356 | 1.0 |
| Halozyne Therapeutics | 50,050 | 204 | 0.6 |
| Idenix Pharmaceuticals | 43,760 | 123 | 0.3 |
| Impax Laboratories | 12,880 | 212 | 0.6 |
| Nektar Therapeutics | 30,750 | 174 | 0.5 |
| Onyx Pharmaceuticals | 10,560 | 273 | 0.8 |
| Pharmasset | 3,210 | 199 | 0.6 |
| Sagent Pharmaceuticals | 14,800 | 226 | 0.6 |
| Theravance | 11,000 | 169 | 0.5 |
| Viropharma | 11,990 | 137 | 0.4 |
| Consumer services - 13.2% (12.3%) | | | |
| Food & drug retailers - 0.5% | | | |
| The Fresh Market | 7,300 | 179 | 0.5 |
| General retailers - 3.7% | | | |
| American Public Education | 16,160 | 429 | 1.2 |
| Lumber Liquidators | 10,500 | 167 | 0.5 |
| Officemax | 31,500 | 159 | 0.4 |
| Rush Enterprises | 33,000 | 391 | 1.1 |
| Sothebys | 6,810 | 175 | 0.5 |
| Media - 0.2% | | | |
| Epocrates | 6,850 | 88 | 0.2 |
| Travel & leisure - 8.8% | | | |
| Avis Budget Group | 31,670 | 334 | 0.9 |
| BJ's Restaurants | 13,050 | 397 | 1.1 |
| Bravo Brio Restaurant Group | 23,380 | 318 | 0.9 |
| Gaylord Entertainment | 19,830 | 375 | 1.0 |
| Life Time Fitness | 17,800 | 393 | 1.1 |
| Morgans Hotel Group | 66,309 | 327 | 0.9 |
| Morningstar | 5,440 | 197 | 0.5 |
| Regal Entertainment Group 'A' | 33,840 | 285 | 0.8 |
| Vail Resorts | 8,580 | 248 | 0.7 |
| Zipcar | 20,800 | 310 | 0.9 |
| Financials - 7.7% (5.8%) | | | |
| Banks - 1.0% | | | |
| City National | 6,100 | 206 | 0.6 |
| Signature Bank | 4,530 | 153 | 0.4 |
| Equity investment instruments - 1.0% | | | |
| Pennantpark Investment | 47,385 | 352 | 1.0 |
| General financial - 3.6% | | | |
| Affiliated Managers Group | 5,920 | 376 | 1.0 |
| Cohen & Steers | 10,800 | 193 | 0.5 |
| Financial Engines | 23,330 | 353 | 1.0 |
| Greenhill | 6,220 | 207 | 0.6 |
| Stifel Financial | 6,900 | 165 | 0.5 |
| Non-life insurance - 2.1% | | | |
| HealthSpring | 19,570 | 506 | 1.4 |
| Syneron Medical | 33,640 | 259 | 0.7 |

Portfolio statement – continued

As at 31 May 2011

| Investment | Holding | Market value £'000 | Total net assets % |
|----------------------------------------------------------|---------|-----------------------|-----------------------|
| Consumer goods – 7.7% (8.2%) | | | |
| Automobiles & parts – 1.3% | | | |
| Gentex | 13,700 | 242 | 0.7 |
| Tesla Motors | 4,500 | 81 | 0.1 |
| Titan International | 10,300 | 166 | 0.5 |
| Household goods – 1.2% | | | |
| Middleby | 8,000 | 417 | 1.2 |
| Leisure goods – 1.1% | | | |
| Reald | 20,910 | 392 | 1.1 |
| Personal goods – 4.1% | | | |
| Deckers Outdoor | 8,290 | 461 | 1.3 |
| Maidenform Brands | 10,000 | 183 | 0.5 |
| Oxford Industries | 20,310 | 470 | 1.3 |
| Vera Bradley | 11,760 | 356 | 1.0 |
| Oil & gas – 5.3% (4.2%) | | | |
| Oil & gas producers – 2.4% | | | |
| Concho Resources | 2,340 | 135 | 0.4 |
| Forest Oil | 14,810 | 267 | 0.7 |
| Lone Pine Resources | 15,900 | 123 | 0.3 |
| Petroleum Development | 15,990 | 343 | 1.0 |
| Oil equipment, services & distribution – 2.9% | | | |
| Carbo Ceramics | 3,800 | 348 | 1.0 |
| Dril Quip | 9,400 | 420 | 1.2 |
| Global Geophysical Services | 27,350 | 265 | 0.7 |
| Basic materials – 1.5% (1.5%) | | | |
| Chemicals – 0.8% | | | |
| Innospec | 14,290 | 286 | 0.8 |
| Industrial metals – 0.7% | | | |
| Commercial Metals | 26,480 | 238 | 0.7 |
| Investment assets | | 35,451 | 98.6 |
| Net other assets | | 513 | 1.4 |
| Net assets | | 35,964 | 100.0 |

Unless otherwise stated the above securities are admitted to official stock exchange listings or trade on a regulated market.

The comparative percentage figures in brackets are at 30 November 2010.

Portfolio movements

For the six months ending 31 May 2011

| | £'000 | | £'000 |
|----------------------------------------------|---------------|-------------------------------------------|-----------------|
| Total of all purchases for the period | 27,083 | Total of all sales for the period | 11,432 |
| Major purchases | Cost | Major sales | Proceeds |
| Petroleum Development | 445 | Varian Semiconductor Equipment Associates | 514 |
| Dril Quip | 445 | CROCS | 346 |
| Life Time Fitness | 443 | Heidrick & Struggles | 337 |
| Deckers Outdoor | 421 | Broadsoft | 334 |
| Oxford Industries | 397 | Avis Budget Group | 306 |
| Zipcar | 370 | Viasat | 306 |
| Regal Entertainment Group 'A' | 358 | Concho Resources | 303 |
| Acuity Brands | 358 | Vital Images | 299 |
| General Cable | 343 | MedAssets | 296 |
| Reald | 342 | Compellent Technologies | 295 |
| Imris | 329 | Under Armour 'A' | 274 |
| BJ's Restaurants | 326 | Deckers Outdoor | 259 |
| Old Dominion Freight Line | 312 | Rackspace Hosting | 232 |
| Blackboard | 309 | Fortinet Inc | 188 |
| Enersys | 307 | Financial Engines | 187 |
| Heico | 305 | Monolithic Power System | 182 |
| OfficeMax | 305 | Cavium Networks | 181 |
| Gaylord Entertainment | 302 | Mellanox Technologies | 173 |
| Envestnet | 302 | Baldor Electric | 166 |
| Corporate Executive Board | 296 | OfficeMax | 159 |

Financial statements

Statement of total return

(Unaudited)

For the six months ending 31 May

| | £'000 | 2011 £'000 | £'000 | 2010 £'000 |
|-------------------------------------------------------------------------------------|-------|---------------|-------|---------------|
| Income | | | | |
| Net capital gains | | 2,277 | | 4,253 |
| Revenue | 52 | | 33 | |
| Expenses | (226) | | (131) | |
| Net expense before taxation | (174) | | (98) | |
| Taxation | (7) | | (5) | |
| Net expense after taxation | | (181) | | (103) |
| Total return before distributions | | 2,096 | | 4,150 |
| Finance costs: Distributions | | (42) | | (24) |
| Change in net assets attributable to shareholders from investment activities | | 2,054 | | 4,126 |

Balance sheet

(Unaudited)

As at

| | 31 May 2011 | | 30 November 2010 | |
|------------------------------------------------|-------------|----------------|------------------|---------------|
| | £'000 | £'000 | £'000 | £'000 |
| ASSETS | | | | |
| Investment assets | | 35,451 | | 17,515 |
| Debtors | 2,311 | | 690 | |
| Cash and bank balances | 715 | | 354 | |
| Total other assets | | 3,026 | | 1,044 |
| Total assets | | 38,477 | | 18,559 |
| LIABILITIES | | | | |
| Creditors | (2,513) | | (603) | |
| Total liabilities | | (2,513) | | (603) |
| Net assets attributable to shareholders | | 35,964 | | 17,956 |

Statement of change in net assets attributable to shareholders

(Unaudited)

For the six months ending 31 May

| | £'000 | 2011 £'000 | £'000 | 2010 £'000 |
|-------------------------------------------------------------------------------------------------|---------|---------------|---------|---------------|
| Opening net assets attributable to shareholders | | 17,956 | | 15,637 |
| Amounts receivable on issue of shares | 19,839 | | 8,039 | |
| Amounts payable on cancellation of shares | (3,885) | | (5,660) | |
| | | 15,954 | | 2,379 |
| Change in net assets attributable to shareholders from investment activities (see above) | | 2,054 | | 4,126 |
| Closing net assets attributable to shareholders | | 35,964 | | 22,142 |

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

Aggregated Company financial statements

Aggregated statement of total return

(Unaudited)

For the six months ending 31 May

| | 2011 | 2010 |
|-------------------------------------------------------------------------------------|---------------|---------------|
| | £'000 | £'000 |
| Income | | |
| Net capital gains | 40,022 | 8,713 |
| Revenue | 3,437 | 3,212 |
| Expenses | (2,152) | (1,892) |
| Net revenue before taxation | 1,285 | 1,320 |
| Taxation | (157) | 5 |
| Net revenue after taxation | 1,128 | 1,325 |
| Total return before distributions | 41,150 | 10,038 |
| Finance costs: Distributions | 14 | (35) |
| Change in net assets attributable to shareholders from investment activities | 41,164 | 10,003 |

Aggregated statement of change in net assets attributable to shareholders

(Unaudited)

For the six months ending 31 May

| | 2011 | 2010 |
|------------------------------------------------------------------------------------------|----------------|----------------|
| | £'000 | £'000 |
| Opening net assets attributable to shareholders | 251,863 | 241,392 |
| Amounts receivable on issue of shares | 32,870 | 9,143 |
| Amounts payable on cancellation of shares | (25,330) | (23,508) |
| | 7,540 | (14,365) |
| Change in net assets attributable to shareholders from investment activities (see above) | 41,164 | 10,003 |
| Stamp duty reserve tax | (14) | (10) |
| Closing net assets attributable to shareholders | 300,553 | 237,020 |

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

Aggregated balance sheet

(Unaudited)

As at

| | 31 May 2011 | 30 November 2010 |
|------------------------------------------------|-----------------|------------------|
| | £'000 | £'000 |
| ASSETS | | |
| Investment assets | 297,220 | 248,025 |
| Debtors | 13,352 | 4,602 |
| Cash and bank balances | 4,892 | 2,218 |
| Total other assets | 18,244 | 6,820 |
| Total assets | 315,464 | 254,845 |
| LIABILITIES | | |
| Creditors | (14,911) | (2,746) |
| Distribution payable on income shares | - | (236) |
| Total liabilities | (14,911) | (2,982) |
| Net assets attributable to shareholders | 300,553 | 251,863 |

Accounting policies

The interim financial statements of each of the sub-funds have been prepared in accordance with the Statement of Recommended Practice (SORP) for Authorised Funds issued by the Investment Management Association in October 2010. The comparative figures were produced under the SORP issued in 2008 and no restatement has been necessary. Under the new SORP there is no longer requirement to disclose the Portfolio turnover rate figure, however, this figure is still being disclosed to provide shareholders with additional information. Other accounting policies applied are consistent with those of the annual financial statements for the year ending 30 November 2010 and are described in those financial statements.

This report has been prepared in accordance with the Financial Services Authority's Collective Investment Schemes Sourcebook and was approved by the Authorised Corporate Director on 15 July 2011.



Mr D Watkins

Director

For and on behalf of JPMorgan Funds Limited
15 July 2011



Ms T McDowall

Director

For and on behalf of JPMorgan Funds Limited
15 July 2011

Who to contact

Intermediaries

0800 727 770

If you are an investor with us please call

0800 20 40 20

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

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

www.jpmorganassetmanagement.co.uk