



Interim Report & Accounts

JPMorgan Fund III ICVC

31 July 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 12 September 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 information in this booklet is based on our understanding of law, regulation and HM Revenue & Customs practice as at 12 September 2011.

Authorised Corporate Director's (ACD) Report

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

Authorised Status

JPMorgan Fund III ICVC is an Open-Ended Investment Company (OEIC) with variable capital authorised, under Regulation 12 of the OEIC Regulations, by the Financial Services Authority on 16 May 2002.

The Company was launched as a non-UCITS Retail Scheme on 7 September 2002 and acts as an umbrella company comprising of two sub-funds. Its registration number is IC000174 and its registered 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-fund and are invested in accordance with the investment objective and investment policies applicable to that sub-fund. Details of the investment objective, the policies for achieving these objectives, the performance record and a review of the investment activities for each of the sub-funds 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-funds 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. Shareholders are not liable to make any further payment to the Company after the purchase of their shares is paid for.

Change of Depositary

As part of an internal re-structuring, The Royal Bank of Scotland plc is in the process of transferring its Trustee and Depositary Services business from The Royal Bank of Scotland plc to National Westminster Bank plc and consequently National Westminster Bank plc will be appointed as Depositary of the Company in October 2011 subject to approval from the Financial Services Authority.

As Depositary, National Westminster Bank plc will have the same duties and responsibilities as The Royal Bank of Scotland plc and this change will have no impact on the way the Company operates.

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)

Depositary

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

Independent Auditors

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

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 R Thompson
Director
JPMorgan Funds Limited
12 September 2011



Mr J Broderick
Director
JPMorgan Funds Limited
12 September 2011

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

Market review

Global stock markets came under pressure on several fronts in the six months ending July 2011, with the MSCI World Index falling 1.0% in Sterling terms (Source: FactSet, total return index).

Equities had a challenging six months as the health of the global economic recovery came into question. Data indicated a slowdown in growth, particularly in the US and China, while sovereign debt problems deepened in the eurozone. In contrast, bonds performed well, with the Bank of America Merrill Lynch GBP Broad Market Index up 7.0% in Sterling terms. The index covers a wide range of global bond markets from government bonds to emerging market debt.

Non-government bond markets did particularly well, with the Barclays Capital Sterling Aggregate Corporate Index returning 6.3% in Sterling terms, while the JPMorgan Government Bond Index ex UK hedged into Sterling was up 2.5%. Strong corporate profits and balance sheet rebuilding contributed to demand for corporate debt, particularly given the higher yields on offer in the current low interest rate environment. Meanwhile, sovereign yields were supported by widespread government austerity measures and weaker economic growth, which led to a reappraisal of interest rate expectations.

Stock markets rose at the beginning of the review period, supported by robust corporate profit growth and expectations of an acceleration in global economic growth. However, confidence was quickly undermined by spreading unrest in the Middle East and North Africa, which forced oil prices sharply higher. The global economy was dealt another blow on 11 March, when a 9.0 magnitude earthquake and tsunami hit Japan, devastating the north-eastern Tohoku area and causing disruptions to production lines and global manufacturing supply chains.

A strong first-quarter earnings season offered some respite to global markets. However, in late spring, the impact of higher oil prices, the Japanese earthquake and tighter monetary policy started to come through in economic data, casting doubt over the strength of the recovery. In China, investors began to worry about a hard landing for the economy as

industrial data softened and inflation continued to rise, hitting a three-year high of 6.5% in July. The People's Bank of China reacted by raising interest rates and bank reserve requirements to cool the economy. In the US, economic data pointed towards a slowdown, with manufacturing activity weakening, unemployment rising and the housing market continuing to struggle.

The re-emergence of the eurozone sovereign debt crisis put further downward pressure on markets. A swift rescue package from the European Union (EU) and International Monetary Fund (IMF) for Portugal reassured investors, but investor concerns soon turned to Greece, where a debt default appeared increasingly likely.

At the end of June, the Greek parliament eased investor concerns by approving a new five-year package of additional spending cuts, tax increases and state asset sales, paving the way for the EU and IMF to release the next tranche of bailout funds. And in late July, European leaders agreed a new EUR 109 billion bailout for Greece, with options to extend debt maturities and reduce repayment terms. In a bid to reduce the risk of contagion to other heavily indebted countries, the lending powers of the European Financial Stability Facility – the EU's bailout fund for indebted countries – were extended to include to Spain and Italy.

Despite the sovereign debt crisis, the European Central Bank increased interest rates by a quarter of a percentage point in April and again in July, taking its benchmark rate to 1.5%, and suggested that further rate rises may follow to bring eurozone inflation back below its 2% target.

Debt problems also came to a head across the Atlantic, with investors forced to confront the possibility of a US default as the Obama administration and the Republican-led Congress struggled to reach an agreement to raise the federal debt ceiling. A deal was finally reached in early August to raise the debt ceiling by around USD 2.4 trillion. However, concerns over the ability of US politicians to work together to reduce the deficit prompted S&P to cut the US sovereign credit rating from the highest level for the first time in the nation's history, taking it to AA+.

Market outlook

With economic data disappointing and sovereign debt issues weighing on business and consumer confidence, investors are beginning to fear that the current soft patch might become a double-dip recession. However, the intense market volatility resulting from these concerns has increased the chance of further policy stimulus to support economic expansion.

Monetary policy currently remains very accommodative in Europe and the US, which is positive for both economic growth and equities. In Europe, the most likely scenario is still for modest economic expansion to continue. However, with 2011 government forecasts for GDP growth now looking challenging in many countries (eg Spain's estimate of 1.3%), newsflow in the near term will remain mixed. In the US, the Federal Reserve has reinforced its accommodative stance, saying on 9 August it would effectively freeze short-term interest rates for two years.

Investors are now looking for indications that the US central bank will announce a third round of quantitative easing (QE3). In late August 2010, the Federal Reserve chairman Ben Bernanke signalled the introduction of a second round of quantitative easing at a meeting of the world's central bankers at Jackson Hole. At the same meeting this year, investors may be listening for hints that Mr Bernanke is preparing to launch QE3.

Any such announcement from the Federal Reserve could be positive for equities. Investors are also hopeful for progress towards a resolution of the eurozone debt crisis. However, EU politicians remain some way from agreement on issues such as fiscal union and markets are likely to remain nervous, particularly as recent economic data has been disappointing.

Nevertheless, markets remain well supported, with equity valuations looking attractive on both price-to-earnings (P/E) and price-to-book (P/B) ratio analysis. Given low investor confidence in the growth outlook currently, P/B ratios are a useful measure of absolute value. On this basis, all key markets look cheap. Meanwhile, equity/bond relative value indicators suggest that equities are cheap relative to bonds and that government bonds look overbought in the short term.

August 2011

JPM Institutional Balanced Fund

Investment objective and policy

To invest in a balanced portfolio of regulated collective investment schemes managed or operated by JPMorgan. The Fund aims to provide capital growth over the long term. The current policy is a maximum equity exposure of 85% of the Fund, at least 10% in non-UK equities and at least 50% in Sterling/Euro assets. The Fund will not invest in unregulated collective investment schemes without first giving shareholders at least 60 days notice of the intention to do so. See Section 11.7 (Unregulated Collective Investment Schemes) of the full Prospectus for the risks of investing in such schemes. The Fund may invest in forward transactions and financial derivative instruments for hedging purposes and for Efficient Portfolio Management. Shareholders will receive at least 60 days notice of any proposed change of use of derivatives within the Fund and will be informed of the potential impact of the change of use on the risk profile of the Fund. Any increased use of derivatives will lead to a commensurate increase in the risks of trading derivatives shown in Section 11.6 (Derivatives and Forward Transactions) of the full Prospectus.

Risk profile

This balanced Fund invests in both equities and bonds, through a portfolio of regulated collective investment schemes. The underlying funds held provide exposure to global markets, including investment in emerging markets, smaller companies and non-investment grade bonds while maintaining significant Sterling/Euro exposure.

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.

Bond prices can fluctuate significantly depending not only on the global economic and interest rate conditions but also on the general credit market environment and the creditworthiness of the issuer.

Some of the underlying assets of the 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 Fund produced a slightly negative return over the six months under review driven by performance in the later half of the period.

We maintained our positive stance on equities and were positioned with an overweight to equities versus bonds in the period. We maintained an overweight to emerging markets and benefited from an underweight to Europe in July as European markets experienced a significant sell-off following a strong first half of the year relative to other regional markets. We saw mixed performance across our underlying strategies. Although our European equity strategies lagged their respective benchmarks, Japanese and Asian equity holdings contributed positively to relative returns.

Fund outlook

With economic data disappointing and sovereign debt issues weighing on business and consumer confidence, investors are beginning to fear that the current soft patch might become a double-dip recession. However, the intense market volatility resulting from these concerns has increased the chance of further policy stimulus to support economic expansion. We maintain our assessment that the current bout of economic weakness is a soft patch, rather than the start of another recession, though the latter has become a greater risk as the year has progressed.

12 month performance to 31 July

	2011	2010	2009	2008	2007
JPM Institutional Balanced C-Class Acc	11.9%	15.5%	-8.4%	-12.1%	11.8%

Six months performance to 31 July 2011

JPM Institutional Balanced C-Class Acc	-0.2%
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Calendar year performance

	2011 ^B	2010	2009	2008	2007	2006
JPM Institutional Balanced C-Class Acc	0.3%	14.5%	21.2%	-24.0%	2.5%	12.9%
Benchmark Index ^A	1.9%	13.8%	20.5%	-20.3%	7.1%	11.0%

Fund statistics

Fund size	£34.8m
Benchmark Index ^A	CAPS Pooled Fund Balanced Median
Fund charges	Initial Nil, Annual 0.65%

Top ten holdings

	%
JPM UK Strategic Equity Income 'I' (Accumulation)	13.3
JPM UK Active Index Plus 'E' (Accumulation)	10.8
JPM UK Dynamic 'B' (Accumulation)	10.0
JPM Emerging Markets 'I' (Accumulation)	7.3
JPM UK Focus 'A' (Accumulation)	6.0
JPM Sterling Bond 'A' GBP (Income)	5.6
JPM Global (ex-UK) Bond 'I' Gross (Accumulation)	5.4
JPM US Growth Alpha Plus 'A' USD (Income)	5.1
JPM Institutional Continental Europe 'I' (Accumulation)	5.0
JPM Europe Recovery 'A' EUR (Income)	4.6

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 read the Simplified Prospectus.

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

Source: J.P. Morgan.

^A Performance data is only available to calendar quarter dates.

^B For six months to 30 June 2011.

Geographical breakdown

	%
United Kingdom	40.1
United States of America	13.0
Europe	11.7
Others	11.0
Global	10.4
Japan	4.8
Asia	4.8
Futures	0.0
Liquidity	1.4
Net other assets	2.8

Highest/lowest share price and distribution record

Calendar year	Highest share price	Lowest share price	Distribution per share (net)
C-Class Accumulation Shares			
2006	476.1p	412.5p	3.04p
2007	511.9p	457.1p	3.66p
2008	490.3p	324.9p	3.28p
2009	451.7p	316.2p	3.48p
2010	515.0p	429.7p	1.87p
2011 ^c	528.9p	488.2p	10.44p

^c To 31 July 2011.

Portfolio turnover rate

31.01.11	120.5%
31.07.11	17.1%

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 £'000	Number of shares	Net asset value per share	Total expense ratio
C-Class Accumulation Shares				
31.01.09	32,371	9,174,300	352.8p	0.63%
31.01.10	35,640	8,185,186	435.4p	0.67%
31.01.11	36,151	7,080,271	510.6p	0.56%
31.07.11	34,784	6,826,911	509.5p	0.70%

The total expense ratio (TER) takes into account the ACD fee and all other operating expenses charged to revenue expressed as a percentage of the average daily net asset values over the period. The TER calculation includes a synthetic adjustment for the period in respect of investments in underlying funds.

Portfolio statement

As at 31 July 2011

Investment	Holding	Market value £'000	Total net assets %
United Kingdom - 40.1% (39.9%)			
JPM UK Active Index Plus 'E' (Accumulation)^	1,857,338	3,772	10.8
JPM UK Dynamic 'B' (Accumulation)^	3,304,665	3,473	10.0
JPM UK Focus 'A' (Accumulation)^	3,776,241	2,102	6.0
JPM UK Strategic Equity Income 'I' (Accumulation)^	4,032,196	4,637	13.3
United States of America - 13.0% (14.7%)			
JPM America Large Cap 'A' USD (Income)^	184,387	1,210	3.5
JPM Highbridge US Steep 'A' GBP (Income)^	117,581	1,264	3.6
JPM US Growth Alpha Plus 'A' USD (Income)^	220,484	1,786	5.1
JPM US Strategic Growth 'A' USD (Income)^	66,649	271	0.8
Europe - 11.7% (12.4%)			
JPM Europe Dynamic (ex-UK) 'B' (Accumulation)^	761,292	729	2.1
JPM Europe Recovery 'A' EUR (Income)^	22,193	1,616	4.6
JPM Institutional Continental Europe 'I' (Accumulation)^	519,412	1,724	5.0
Global - 10.4% (7.8%)			
JPM Emerging Markets 'I' (Accumulation)^	428,746	2,524	7.3
JPM Global Equity Income 'A' (Accumulation)^	1,474,725	705	2.0
JPM Global Property Securities 'I' (Accumulation)^	440,050	370	1.1
Japan - 4.8% (4.6%)			
JPM Japan Alpha 'A' USD (Income)^	124,175	1,087	3.1
JPM Japan Strategic Value 'A' GBP (Income)^	11,860	604	1.7
Asia - 4.8% (4.9%)			
JPM Asia Pacific Ex-Japan Behavioural Finance 'A' USD (Income)^	13,733	848	2.4
JPM Institutional Asia 'I' (Accumulation)^	301,826	824	2.4
Others - 11.0% (13.1%)			
JPM Global (ex-UK) Bond 'I' Gross (Accumulation)^	1,671,087	1,865	5.4
JPM Sterling Bond 'A' GBP (Income)^	2,454,779	1,939	5.6
Futures - 0.0% (0.0%)			
DJ Euro Stoxx 50 Index Futures Sep 2011	11	(22)	(0.1)
Euro Bund Index Futures Sep 2011	(5)	(12)	-
FTSE 100 Index Futures Sep 2011	(37)	1	-
Hang Seng Index Futures Jul 2011	15	(8)	-
Long Gilt Futures Sep 2011	6	28	0.1
S&P 500 E-Mini Futures Sep 2011	26	4	-
Topix Index Futures Sep 2011	6	(4)	-
US 10 Year Note Futures Sep 2011	(2)	(4)	-
Liquidity - 1.4% (1.3%)			
JPM Sterling Liquidity 'X' (Income)^		470	1.4
Investment assets (including investment liabilities)		33,803	97.2
Net other assets		981	2.8
Net assets		34,784	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 31 January 2011.

^ Deemed to be investment in related parties of the ACD

Portfolio movements

For the six months ending 31 July 2011

	£'000		£'000
Total of all purchases for the period	3,258	Total of all sales for the period	5,190
Purchases	Cost	Sales	Proceeds
JPM Emerging Markets 'I' (Accumulation)	1,764	JPM Global (ex-UK) Bond 'I' Gross (Accumulation)	1,088
JPM Asia Pacific Ex Japan Behavioural Finance 'A' USD (Income)	843	JPM US 130/30 'A' USD (Income)	1,068
JPM Global Property Securites 'I' (Accumulation)	367	JPM Emerging Markets Alpha Plus 'A' GBP (Income)	1,027
JPM US Strategic Growth 'A' USD (Income)	284	JPM Asia Alpha Plus 'A' USD (Income)	623
		JPM UK Strategic Equity Income 'I' (Accumulation)	522
		JPM Asia Equity 'A' USD (Accumulation)	370
		JPM Europe Recovery 'A' EUR (Income)	157
		JPM Emerging Markets 'I' (Accumulation)	140
		JPM Global Equity Income 'A' (Accumulation)	112
		JPM Japan Alpha 'A' USD (Accumulation)	83

Financial statements

Statement of total return

(Unaudited)

For the six months ending 31 July

	£'000	2011 £'000	£'000	2010 £'000
Income				
Net capital (losses)/gains		(372)		1,267
Revenue	426		599	
Expenses	(113)		(110)	
Net revenue before taxation	313		489	
Taxation	(8)		(37)	
Net revenue after taxation		305		452
Total return before distributions		(67)		1,719
Finance costs: Distributions		(5)		-
Change in net assets attributable to shareholders from investment activities		(72)		1,719

Statement of change in net assets attributable to shareholders

(Unaudited)

For the six months ending 31 July

	£'000	2011 £'000	£'000	2010 £'000
Opening net assets attributable to shareholders		36,151		35,640
Amounts receivable on issue of shares	633		132	
Amounts payable on cancellation of shares	(1,925)		(2,828)	
		(1,292)		(2,696)
Change in net assets attributable to shareholders from investment activities (see above)		(72)		1,719
Stamp duty reserve tax		(3)		(1)
Closing net assets attributable to shareholders		34,784		34,662

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.

Balance sheet

(Unaudited)

As at

	31 July 2011		31 January 2011	
	£'000	£'000	£'000	£'000
ASSETS				
Investment assets		33,853		35,724
Debtors	1,187		355	
Cash and bank balances	395		191	
Total other assets		1,582		546
Total assets		35,435		36,270
LIABILITIES				
Investment liabilities		(50)		(47)
Creditors	(601)		(72)	
Total other liabilities		(601)		(72)
Total liabilities		(651)		(119)
Net assets attributable to shareholders		34,784		36,151

JPM Portfolio Fund

Investment objective and policy

To invest in a portfolio of regulated collective investment schemes operated or managed by JPMorgan. The Fund aims to provide capital growth over the long term. The Fund will not invest in unregulated collective investment schemes without first giving shareholders at least 60 days notice of the intention to do so. See section 11.7 (Unregulated Collective Investment Schemes) of the full Prospectus for the risks of investing in such schemes. The Fund may invest in forward transactions and financial derivative instruments for hedging purposes and for Efficient Portfolio Management. Shareholders will receive at least 60 days notice of any proposed change of use of derivatives within the Fund and will be informed of the potential impact of the change of use on the risk profile of the Fund. Any increased use of derivatives will lead to a commensurate increase in the risks of trading derivatives shown in section 11.6 (Derivatives and Forward Transactions) of the full Prospectus.

Risk profile

This Fund is designed to give broad market exposure to the UK and global stock markets (which may include investment in emerging markets and smaller companies) through a portfolio of regulated collective investment schemes.

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.

Some of the underlying assets of the 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

In a volatile six months for risk assets, the Fund produced negative absolute and relative returns.

We maintained an underweight position in the UK and overweight in emerging markets throughout the period. We benefited from an underweight in Europe in July as European markets experienced a significant sell-off following a strong first half of the year relative to other regional markets. We made some small changes in underlying fund selection including selling out of our position in the JPM Emerging Markets Alpha Plus Fund. Most of our underlying UK and European equity strategies struggled against their respective benchmarks. In contrast, our Japanese equity fund holdings performed well in excess of their underlying benchmarks.

Fund outlook

Recent turbulent events in the US and eurozone have raised fears of disorderly markets, which could feed through into a double-dip and possible recession. However, the recent sell-off has increased the chance of further policy stimulus to support economic expansion. We stick with our assessment that the current bout of economic weakness is a soft patch, rather than the start of a new recession, though the latter has become a greater risk as the year has progressed.

12 month performance to 31 July

	2011	2010	2009	2008	2007
JPM Portfolio A-Class Acc	13.5%	17.1%	-8.6%	-13.3%	11.9%
Benchmark Index	14.1%	18.4%	-7.4%	-10.3%	12.6%

Six month performance to 31 July 2011

JPM Portfolio A-Class Acc	-1.1%
Benchmark Index	-0.1%

Fund statistics

Fund size	£49.8m
Benchmark Index	50% FTSE All-Share Net/ 50% FTSE World ex-UK Net
Fund charges	Initial 5.50%, Annual up to 1.50%

Top ten holdings

	%
JPM UK Active Index Plus 'E' (Accumulation)	12.8
JPM UK Focus 'A' (Accumulation)	12.8
JPM UK Strategic Equity Income 'A' (Accumulation)	12.5
JPM UK Dynamic 'A' (Accumulation)	11.9
JPM US Select Equity 'A' USD (Income)	8.8
JPM Highbridge US Steep 'A' GBP (Income)	5.4
JPM America Large Cap 'A' USD (Income)	5.1
JPM US Growth Alpha Plus 'A' USD (Income)	5.0
JPM Europe Recovery 'A' EUR (Income)	4.1
JPM Emerging Markets 'A' GBP (Income)	3.9

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 read the Simplified Prospectus.

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

Source: J.P. Morgan.

Source: FTSE International Limited ("FTSE") © FTSE 2011. "FTSE" is a trade mark of London Stock Exchange Plc and The Financial Times Limited and is used by FTSE International Limited under licence. All rights in the FTSE indices and/or FTSE ratings vest in FTSE and/or its licensors. Neither FTSE nor its licensors accept any liability for any errors or omissions in the FTSE indices and/or FTSE ratings or underlying data. No further distribution of FTSE Data is permitted without FTSE's express written consent.

Geographical breakdown

	%
United Kingdom	50.0
United States of America	25.7
Europe	8.7
Asia	6.1
Global	3.9
Japan	3.7
Futures	0.0
Net other assets	1.9

Highest/lowest share price and distribution record

Calendar year	Highest share price	Lowest share price	Distribution per share (net)
A-Class Accumulation Shares			
2006	128.3p	111.1p	0.00p
2007	139.4p	122.1p	0.00p
2008	133.1p	83.82p	0.00p
2009	121.8p	79.41p	0.00p
2010	141.4p	113.8p	0.00p
2011 ^A	145.1p	133.2p	1.00p

^A To 31 July 2011.

Portfolio turnover rate

31.01.11	87.7%
31.07.11	15.2%

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 £'000	Number of shares	Net asset value per share	Total expense ratio
A-Class Accumulation Shares				
31.01.09	39,083	41,895,421	93.29p	1.85%
31.01.10	45,920	39,370,677	116.6p	1.97%
31.01.11	51,361	36,625,735	140.2p	1.61%
31.07.11	49,817	35,921,247	138.7p	1.64%

The total expense ratio (TER) takes into account the ACD fee and all other operating expenses charged to revenue expressed as a percentage of the average daily net asset values over the period. The TER calculation includes a synthetic adjustment for the period in respect of investments in underlying funds.

Portfolio statement

As at 31 July 2011

Investment	Holding	Market value £'000	Total net assets %
United Kingdom - 50.0% (50.1%)			
JPM UK Active Index Plus 'E' (Accumulation)^	3,144,451	6,386	12.8
JPM UK Dynamic 'A' (Accumulation)^	5,798,734	5,950	11.9
JPM UK Focus 'A' (Accumulation)^	11,459,000	6,377	12.8
JPM UK Strategic Equity Income 'A' (Accumulation)^	5,868,276	6,232	12.5
United States of America - 25.7% (27.3%)			
JPM America Large Cap 'A' USD (Income)^	387,991	2,546	5.1
JPM Highbridge US Steep 'A' GBP (Income)^	249,429	2,681	5.4
JPM US Growth Alpha Plus 'A' USD (Income)^	308,137	2,496	5.0
JPM US Select Equity 'A' USD (Income)^	61,846	4,399	8.8
JPM US Strategic Growth 'A' USD (Income)^	173,552	706	1.4
Europe - 8.7% (9.0%)			
JPM Europe Recovery 'A' EUR (Income)^	28,211	2,054	4.1
JPM German Equity 'A' EUR (Income)^	166,343	1,219	2.5
JPM Institutional Continental Europe 'I' (Accumulation)^	313,400	1,040	2.1
Asia - 6.1% (5.7%)			
JPM Asia Alpha Plus 'A' USD (Income)^	289,505	1,735	3.5
JPM Asia Pacific Ex-Japan Behavioural Finance 'A' USD (Income)^	20,661	1,275	2.6
Global - 3.9% (3.0%)			
JPM Emerging Markets 'A' GBP (Income)^	57,664	1,955	3.9
Japan - 3.7% (3.5%)			
JPM Japan Alpha 'A' USD (Income)^	89,786	786	1.6
JPM Japan Strategic Value 'A' GBP (Income)^	20,488	1,043	2.1
Futures - 0.0% (0.2%)			
DJ Euro Stoxx 50 Index Futures Sep 2011	34	(37)	(0.1)
FTSE 100 Index Futures Sep 2011	(35)	3	-
Hang Seng Index Futures Aug 2011	(1)	-	-
S&P 500 E-Mini Futures Sep 2011	34	(8)	-
Topix Index Futures Sep 2011	9	26	0.1
Investment assets (including investment liabilities)		48,864	98.1
Net other assets		953	1.9
Net assets		49,817	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 31 January 2011.

^ Deemed to be investment in related parties of the ACD

Portfolio movements

For the six months ending 31 July 2011

	£'000		£'000
Total of all purchases for the period	4,354	Total of all sales for the period	5,529
Purchases	Cost	Sales	Proceeds
JPM Emerging Markets 'A' GBP (Income)	1,487	JPM US 130/30 'A' USD (Income)	2,255
JPM Asia Pacific Ex-Japan Behavioural Finance 'A' USD (Income)	1,265	JPM Asia Alpha Plus 'A' USD (Income)	1,276
JPM US Select Equity 'A' USD (Income)	861	JPM Emerging Markets Alpha Plus 'A' GBP (Income)	971
JPM US Strategic Growth 'A' USD (Income)	741	JPM UK Active Index Plus 'E' (Accumulation)	511
		JPM UK Dynamic 'A' (Accumulation)	421
		JPM German Equity 'A' EUR (Income)	95

Financial statements

Statement of total return

(Unaudited)

For the six months ending 31 July

	£'000	2011 £'000	£'000	2010 £'000
Income				
Net capital (losses)/gains		(664)		2,297
Revenue	511		314	
Expenses	(388)		(377)	
Net revenue/(expense) before taxation	123		(63)	
Taxation	-		(3)	
Net revenue/(expense) after taxation		123		(66)
Total return before distributions		(541)		2,231
Finance costs: Distributions		(2)		-
Change in net assets attributable to shareholders from investment activities		(543)		2,231

Balance sheet

(Unaudited)

As at

	31 July 2011		31 January 2011	
	£'000	£'000	£'000	£'000
ASSETS				
Investment assets		48,909		50,751
Debtors	37		279	
Cash and bank balances	1,018		526	
Total other assets		1,055		805
Total assets		49,964		51,556
LIABILITIES				
Investment liabilities		(45)		(6)
Creditors	(102)		(189)	
Total other liabilities		(102)		(189)
Total liabilities		(147)		(195)
Net assets attributable to shareholders		49,817		51,361

Statement of change in net assets attributable to shareholders

(Unaudited)

For the six months ending 31 July

	£'000	2011 £'000	£'000	2010 £'000
Opening net assets attributable to shareholders		51,361		45,920
Amounts receivable on issue of shares	715		96	
Amounts payable on cancellation of shares	(1,714)		(1,949)	
		(999)		(1,853)
Change in net assets attributable to shareholders from investment activities (see above)		(543)		2,231
Stamp duty reserve tax		(2)		(2)
Closing net assets attributable to shareholders		49,817		46,296

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 July

	2011	2010
£'000	£'000	£'000
Income		
Net capital (losses)/gains	(1,036)	3,564
Revenue	937	913
Expenses	(501)	(487)
Net revenue before taxation	436	426
Taxation	(8)	(40)
Net revenue after taxation	428	386
Total return before distributions	(608)	3,950
Finance costs: Distributions	(7)	-
Change in net assets attributable to shareholders from investment activities	(615)	3,950

Aggregated statement of change in net assets attributable to shareholders

(Unaudited)

For the six months ending 31 July

	2011	2010
£'000	£'000	£'000
Opening net assets attributable to shareholders	87,512	81,560
Amounts receivable on issue of shares	1,348	228
Amounts payable on cancellation of shares	(3,639)	(4,777)
	(2,291)	(4,549)
Change in net assets attributable to shareholders from investment activities (see above)	(615)	3,950
Stamp duty reserve tax	(5)	(3)
Closing net assets attributable to shareholders	84,601	80,958

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 July 2011	31 January 2011
£'000	£'000	£'000
ASSETS		
Investment assets	82,762	86,475
Debtors	1,224	634
Cash and bank balances	1,413	717
Total other assets	2,637	1,351
Total assets	85,399	87,826
LIABILITIES		
Investment liabilities	(95)	(53)
Creditors	(703)	(261)
Total other liabilities	(703)	(261)
Total liabilities	(798)	(314)
Net assets attributable to shareholders	84,601	87,512

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 in the Statement of total return and the Statement of change in net assets attributable to shareholders were produced under the SORP issued in 2008 and no restatement has been necessary. Under SORP 2010 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 31 January 2011 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 12 September 2011.



Mr R Thompson
Director
For and on behalf of JPMorgan Funds Limited
12 September 2011



Mr J Broderick
Director
For and on behalf of JPMorgan Funds Limited
12 September 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